

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

OF

QUEEN BEE SCHOOL DISTRICT 16
GLENDALE HEIGHTS, ILLINOIS

As of and for the Year Ended June 30, 2016

Official Issuing Report

Ms. Victoria Tabbert, Superintendent

Department Issuing Report

Business Office

QUEEN BEE SCHOOL DISTRICT 16
TABLE OF CONTENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

	<u><i>Page(s)</i></u>
<i>Introductory Section</i>	
Transmittal Letter	i - v
ASBO Certificate	vi
Organizational Chart	vii
Principal Officers and Advisors	viii
<i>Financial Section</i>	
Independent Auditors' Report	1 - 3
Required Supplementary Information	
Management's Discussion and Analysis (MD&A) - Unaudited	4 - 11
Basic Financial Statements	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position	12
Statement of Activities	13
<u>Fund Financial Statements</u>	
Balance Sheet - Governmental Funds	14 - 15
Reconciliation of the Governmental Funds - Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17 - 18
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	19
Statement of Fiduciary Assets and Liabilities - Agency Fund	20
Notes to Basic Financial Statements	21 - 45
Required Supplementary Information	
Illinois Municipal Retirement Fund - Schedule of Changes in the District's Net Pension Liability and Related Ratios	46
Illinois Municipal Retirement Fund - Schedule of District Contributions	47
Teachers' Retirement System - Schedule of the District's Proportionate Share of the Collective Net Pension Liability and Schedule of District Contributions	48
Schedule of Funding Progress For Medical Insurance Retirement Program	49
<u>General and Major Special Revenue Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
General Fund - Non-GAAP Budgetary Basis	50 - 56
Tort Immunity and Judgment Fund	57

QUEEN BEE SCHOOL DISTRICT 16
TABLE OF CONTENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

	<u><i>Page(s)</i></u>
Required Supplementary Information - (Continued)	
Operations and Maintenance Fund	58 - 59
Transportation Fund	60
Municipal Retirement/Social Security Fund	61 - 62
Notes to Required Supplementary Information	63
Supplementary Information	
<u>Major Debt Service and Major Capital Projects Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
Debt Service Fund	64
Fire Prevention and Life Safety Fund	65
General Fund - Combining Balance Sheet	66
General Fund - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	67
<u>General Fund Accounts - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual</u>	
Educational Accounts - Non-GAAP Budgetary Basis	68 - 74
Working Cash Accounts	75
Schedule of Changes in Assets and Liabilities - Agency Funds	76
Operating Cost and Tuition Charge	77
2001A Capital Appreciation Bonds	78
2006 School Building Bonds	79
2013A General Obligation Refunding School Bonds	80
2013B Taxable General Obligation Limited Tax School Bonds	81
2015 General Obligation Refunding School Bonds	82
Other Information	
Budgeted Revenues, Expenditures, and Changes in Fund Balances for Fiscal Year 2017	83

QUEEN BEE SCHOOL DISTRICT 16
TABLE OF CONTENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

	<u><i>Page(s)</i></u>
<i>Statistical Section</i>	
Net Position by Component	84 - 85
Changes in Net Position	86 - 87
Fund Balances of Governmental Funds	88 - 89
Governmental Funds Revenues	90 - 91
Governmental Funds Expenditures and Debt Service Ratio	92 - 93
Other Financing Sources and Uses and Net Change in Fund Balances	94 - 95
Assessed Valuation and Estimated Actual Value of Taxable Property	96 - 97
Property Tax Rates - All Direct and Overlapping Governments	98 - 99
Principal Property Taxpayers in the District	100
Property Tax Levies and Collections	101
Ratio of Outstanding Debt by Type	102
Ratios of General Bonded Debt Outstanding	103
Computation of Direct and Overlapping Debt	104
Legal Debt Margin Information	105 - 106
Demographic and Economic Statistics	107
Principal Employers	108
Number of Employees by Type	109 - 110
Operating Indicators by Function	111 - 112
School Building Information	113 - 114



Victoria L. Tabbert, Ed.S.
Superintendent of Schools
Queen Bee School District 16

1560 Bloomingdale Road
Glendale Heights, IL 60139
Phone: 630/260-6100 Fax: 630/260-6103
www.queenbee16.org

December 8, 2016

President and Members of the
Board of Education and Residents
Queen Bee School District 16
Glendale Heights, Illinois 60139

The Comprehensive Annual Financial Report of Queen Bee School District 16, Glendale Heights, Illinois, for the fiscal year ended June 30, 2016 is submitted herewith. Baker Tilly Virchow Krause, LLP, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2016. The independent auditor's report is located at the front of the financial section of this report. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data as presented is: (1) accurate in all material aspects; (2) presented in a manner designed to fairly set forth the financial activity of its various funds; and (3) that all disclosures necessary for maximum public understanding of the District's financial status have been incorporated in the report.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory section includes the table of contents, the transmittal letter, the District's organizational chart, and a list of principal officials. The Financial section begins with the Independent Auditors' Report and includes Management's Discussion and Analysis (the MD&A complements this letter and should be read in conjunction with it), the Basic Financial Statements and Notes that provide an overview of the District's financial position and operating results, the Combining and Individual Fund Statements for non-major funds and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section includes a number of tables of unaudited data depicting the financial history of the District, demographics, and the fiscal capacity of the District.

GENERAL DISTRICT INFORMATION

The District was founded in 1860 and provides educational programs for grades pre-kindergarten through eighth grade and operates three elementary schools and one middle school. The District leases a portion of one school building to a special education cooperative, which serves, in part, students from District 16. Enrollment in the District for fiscal year 2016 decreased from 2,002 to 1,978 students. There is little opportunity for housing development within the District boundaries. Therefore, enrollment changes would most likely be attributable to generational movement within the community and enrollment is projected to decrease during the foreseeable future. The majority of the District is located in Glendale Heights in DuPage County, Illinois with small portions of the District in unincorporated Glen Ellyn Countryside and Carol Stream. The District is located in the northern portion of DuPage County approximately 25 miles west of Chicago. The District is in Bloomingdale Township. The District contains approximately 3.5 square miles of land. The community served is approximately 34,000.

The mission of Queen Bee Schools is to set high standards to ensure that all students learn, grow, and achieve.

The District is served by the Metra/Union Pacific West train line to the south and Metra/Milwaukee District West line to the north. Located just two miles to the east of the District is the North - South Tollway that links DuPage County with all the major highways in northern Illinois.

ECONOMIC OUTLOOK

The District continued to practice sound financial management principles in FY2016, which resulted in a growth in the fund balance of the Education Fund. The District adopted a “Fiscal Philosophy” during FY2012 to address balanced budget, solvency/liquidity, fund balance targets, borrowing, and transparency among other fiscal objectives. The increase in the tax extension this year and all future extensions will be limited to the Consumer Price Index (CPI) because the District is under the Illinois Property Tax Limitation Act. The CPI for the upcoming tax levy is .7%. This should bring in limited additional revenue to the general funds.

The District is subject to the state foundation level formula for general state aid. This formula is directly affected by local revenue. The increase in local revenue from property taxes is continuing to have a negative effect on revenue from general state aid. General State Aid has remained constant in fiscal year 2016, since for the formula resulted in fewer dollars than the hold harmless level set in fiscal year 1998. Without a significant increase in the foundation level or a decrease in the proration level, revenue from General State Aid will remain at the current level for the foreseeable future. In FY2016, the State of Illinois did not send the full General State Aid Entitlement by a shortfall of \$.448. Other state categorical funds were pro-rated resulting in a total due to the District on June 30, 2016 of \$.3.

The District began to address the need to continue to maintain its aging facilities by completing its ten year Life Safety Survey in 2012. The District continues to make improvements in its facilities to meet the needs of its diverse population, and has developed a long term facilities strategic plan.

As the increases in local revenue are not expected to improve, and there remains no indication that funding from state or federal sources will increase to the level required, the annual goal of balancing the district budget will continue to be increasingly difficult to accomplish. Projections indicate that without limiting the increase in expenditures, the fund balance in the education fund could begin to decrease. However, for the 2017 fiscal year, a balanced budget with a minimal surplus has been adopted.

REPORTING ENTITY

The District includes all funds that are controlled by or dependent on the Board of Education of the District. The District does not exercise oversight responsibility over any other entity and thus does not include any other entity as a component unit in this report. Additionally, based on consideration of oversight responsibility, scope of public service and special financing relationships, the District is an independent entity, not included as a component unit of any other reporting entity.

FINANCIAL MANAGEMENT AND CONTROL

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is properly recorded to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these

objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. Internal control practices are also integrated into the budgetary management of the District's funds. A budget is prepared for each fund, control is provided by verification of appropriation amounts prior to expenditures, as well as a monthly review of actual account totals compared to budget. Additional control is established through published policies and procedures for all aspects of accounting practices of the District, which includes the recording of receipts and disbursements of funds entrusted to the District.

To ensure sound financial management, proper accounting practices, internal controls, and budgetary planning are affirmed by the continual review of the Board of Education.

The basis of accounting and the various funds utilized by the District are fully described in Note 1 of the financial statements. Additional information on the District's budgetary accounting can also be found in Note 1.

This is the thirteenth year the District has prepared financial statements following GASB 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB 34 created basic financial statements for reporting on the District's financial activities as follows:

Government-wide financial statements. These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements include the Statement of Net Position and the Statement of Activities.

Fund financial statements. These statements present information for individual major funds rather than by fund type. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements.

As part of this model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the basic financial statements, providing an assessment of District finances for fiscal year 2016, with comparisons to 2015.

FUTURE INITIATIVES

The Board of Education has recognized the need for increased revenues and/or decreased expenditures to continue to increase the fund balance in the Education Fund. The District has historically effected budgetary reductions when necessary and gone to the community for increased revenues. Educational fund tax rate referendums were passed in 1987, 1993 and 2003. Construction bonds were passed by referendum in 1998 for additions to three of the four schools. General Obligation debt was also issued in 2006 and in 2010 to fund several projects on the 2001 life safety survey. In 2013 the District issued General Obligation debt to fund projects identified in its 2011 life safety survey. Our community highly regards our educational programs and facilities and supports the District when called upon. The possibility exists for either another tax rate referendum or bond sale referendum within the next few years; however the uncertainty of the current economy makes the District reluctant to approach the public with such a request.

A new negotiated agreement was reached in May 2016. The four-year negotiated agreement, which expires in August 2020, eliminated the conventional salary schedule, and provided increases to salaries of 4.0% for the first year, and 3.0% for the second year. Subsequent year's salary increases will be negotiated. A retirement provision within the agreement has given the District the ability to analyze upcoming retirements. There are currently 2 teachers retiring at the end of FY2016. Additional teachers have until May 31, 2018 to notify the District that they intend to retire by the end of the 2021-2022 school year. This information will be helpful as the District makes staffing decisions. Staffing levels will be reevaluated every year as enrollment shifts, retirements occur, and budgetary requirements become evident.

The change in legislation for tax levies has had a positive impact on upcoming property tax extensions distributed to the District. The elimination of referendum imposed maximum rates for the different funds made it possible to shift the request for tax dollars from funds that have sufficient balances to the Education Fund. The need to investigate other options to improve the District fund balances is imminent. Possibilities include proposing a referendum to increase the tax rate the District has authority to access, as well as the transfer or abatement of dollars currently in other funds. If no option for an increase in revenue proves fruitful in the upcoming year, it may become necessary to drastically change existing programs and the staff required to provide them to our students.

RELEVANT FINANCIAL POLICIES

Budget planning begins no later than September by adopting a proposed budget calendar. The proposed budget shall be available for public inspection and comment at least 30 days before the budget hearing. The adopted budget shall be posted on the District's website and filed with the Cook County Clerk's office within 30 days of adoption. The Board of Education may amend the budget by following the same procedures as provided for in the original adoption.

The Board of Education shall act on all expenditures, interfund loans and transfers, transfers within funds in excess of 10 percent of the total fund and all contingency fund expenditures.

The certificate of property tax levy is to be filed with the Cook County Clerk's office by the last Tuesday in December. The District annually publishes a statement of affairs regarding its financial position by December 15th.

INDEPENDENT AUDIT

The School Code of Illinois and the District's adopted policy require an annual audit of the books of accounts, financial records and transactions of all funds of the District. The audit is performed by independent certified public accountants selected by the District's Board of Education. The independent auditors' report has been included in the financial section of this report.

CERTIFICATE OF ACHIEVEMENT

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the eighteenth consecutive year that the District has received this prestigious award.

In order to be awarded a Certificate of Excellence, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Excellence is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate requirements and we are submitting it to ASBO to determine its eligibility for another certificate.

CLOSING STATEMENT

It is our belief that this Comprehensive Annual Financial Report will provide the District's management, outside investors, and local citizens with a most meaningful financial presentation. We hope that all readers of this Report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2016. We extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial operations of the District in a professional and fiscally responsible manner.

Respectfully submitted,



Victoria L. Tabbert, Ed.S.
Superintendent



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting Award
is presented to**

Queen Bee School District 16

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

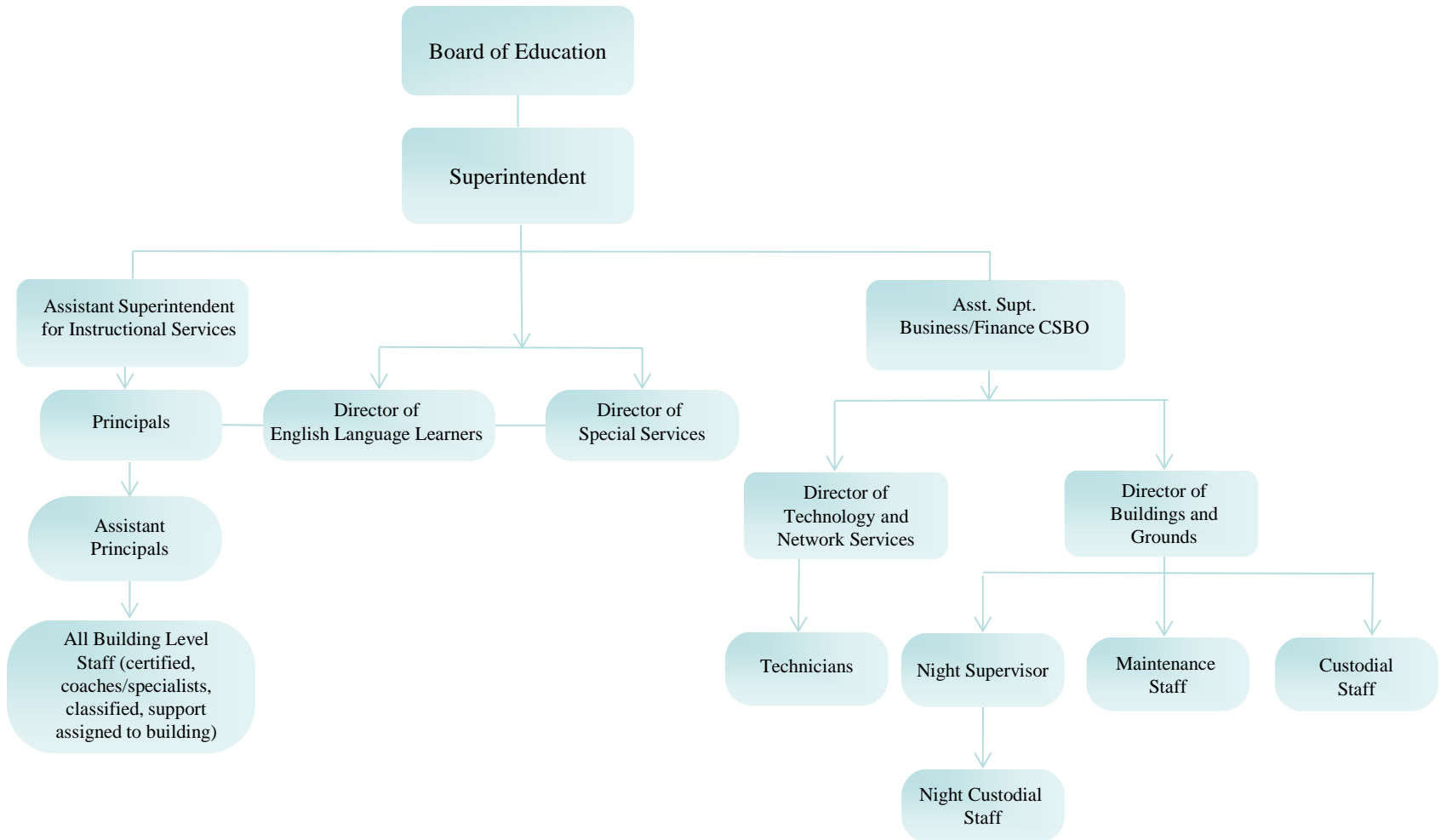
John D. Musso

John D. Musso, CAE, RSBA
Executive Director

General School Administration

Exhibit – Line and Staff

The following diagram illustrates the structure of the School District in terms of personnel and responsibilities. It is intended to aid the school community in locating the proper staff member regarding specific relations between school and community. The proper procedure is to contact the person closest to the situation.



**QUEEN BEE SCHOOLS, DISTRICT 16
DUPAGE COUNTY
1560 BLOOMINGDALE ROAD
GLENDALE HEIGHTS, ILLINOIS**

**Comprehensive Annual Financial Report
As of and for the Year Ended June 30, 2016**

Principal Officers and Advisors

Board of Education

President:

Mr. Mike Summerville

Term Expires

4/2017

Vice President:

Ms. Kathleen Marron

4/2019

Members:

Mrs. Nancy DiCanio
Mr. Richard McDonald
Mr. Michael Reich
Mrs. Paula Bodzioch
Mr. Christopher Epstein

4/2019
4/2019
4/2017
4/2017
4/2017

District Administration

Ms. Victoria Tabbert
Mr. Michael Cushion
Dr. Joseph Williams

Superintendent
Assistant Superintendent for Business and Finance
Assistant Superintendent for Instructional Services

Officials Issuing Report

Ms. Victoria Tabbert

Superintendent

Department Issuing Report

Business Office

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Queen Bee School District 16
Glendale Heights, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Queen Bee School District 16, Illinois, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Queen Bee School District 16's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to Queen Bee School District 16's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Queen Bee School District 16's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Education
Queen Bee School District 16

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Queen Bee School District 16, Illinois, as of June 30, 2016 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2016 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Queen Bee School District 16's basic financial statements. The supplementary information for the year ended June 30, 2016 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2016, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2016.

To the Board of Education
Queen Bee School District 16

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Queen Bee School District 16 as of and for the year ended June 30, 2015 (not presented herein), and have issued our report thereon dated October 14, 2015, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The supplementary information for the year ended June 30, 2015 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Queen Bee School District 16's basic financial statements. The introductory, statistical section, as well as the other information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited Queen Bee School District 16's 2015 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated October 14, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2016 on our consideration of Queen Bee School District 16's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Queen Bee School District 16's internal control over financial reporting and compliance.

Baker Tilly Vukow Krause, LLP

Oak Brook, Illinois
December 8, 2016

Queen Bee School District 16

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

The discussion and analysis of Queen Bee School District 16's (the "District") financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2016. The management of the District encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- > In total, net position increased by \$2.0. This represents a 57% increase from 2015 and is partly attributed to an increase in the District's general state aid allocation over prior year.
- > General revenues accounted for \$24.7 in revenue or 71% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$9.9 or 29% of total revenues of \$34.6.
- > The District had \$32.6 in expenses related to government activities. However, only \$9.9 of these expenses were offset by program specific charges and grants.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- > Government-wide financial statements,
- > Fund financial statements, and
- > Notes to basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Queen Bee School District 16

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District maintains no proprietary funds).

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a school district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Tort Immunity and Judgment Fund, Operations and Maintenance Fund, Transportation Fund, IMRF/Social Security Fund, Debt Service Fund, and Fire Prevention and Life Safety Fund, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget.

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

Notes to basic financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Queen Bee School District 16

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its non-certified employees.

Government-Wide Financial Analysis

The District's combined net position was higher on June 30, 2016, than it was the year before, increasing 57% to \$5.5.

Table 1
Condensed Statements of Net Position
(in millions of dollars)

	<u>2015</u>	<u>2016</u>
Assets:		
Current and other assets	\$ 21.0	\$ 21.9
Capital Assets	<u>18.4</u>	<u>18.8</u>
Total assets	<u>39.4</u>	<u>40.7</u>
Total deferred outflows of resources	<u>1.1</u>	<u>1.6</u>
Liabilities:		
Current liabilities	2.5	2.1
Long-term debt outstanding	<u>25.0</u>	<u>25.1</u>
Total liabilities	<u>27.5</u>	<u>27.2</u>
Total deferred inflows of resources	<u>9.5</u>	<u>9.6</u>
Net position:		
Net investment in capital assets	1.5	2.0
Restricted	2.3	1.9
Unrestricted	<u>(0.3)</u>	<u>1.6</u>
Total net position	<u>\$ 3.5</u>	<u>\$ 5.5</u>

Revenues in the governmental activities of the District of \$34.6 exceeded expenses by \$2.0. This was attributable primarily to the increase in General State Aid received by the District in FY 2016.

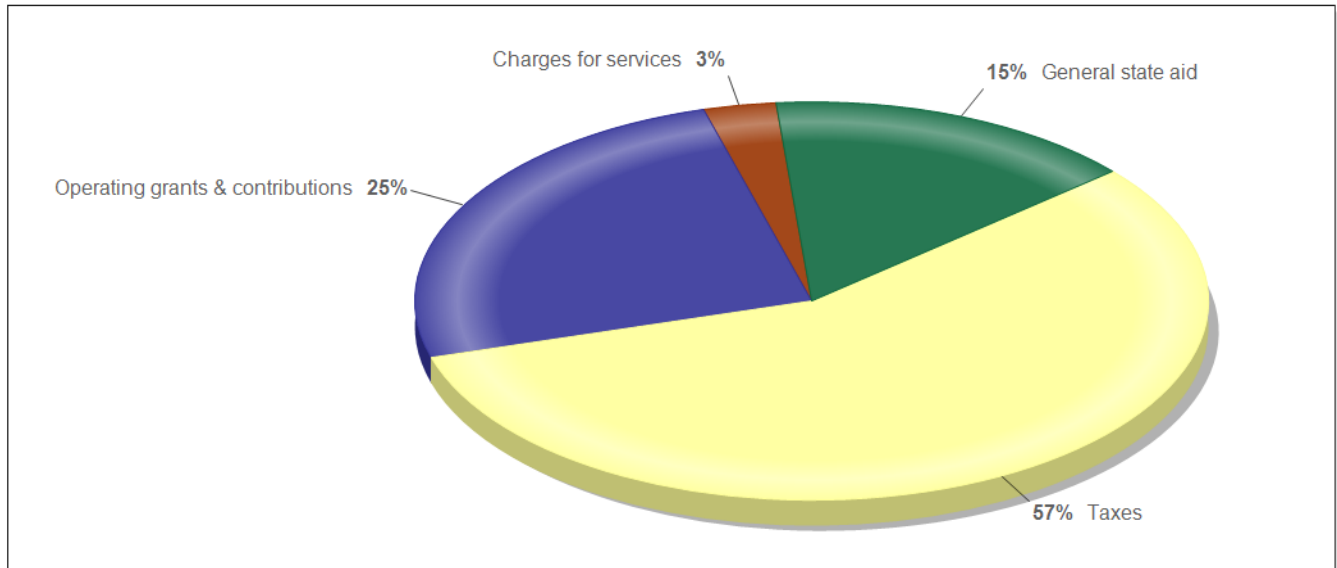
Queen Bee School District 16
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2016

Table 2 Changes in Net Position (in millions of dollars)		
	<u>2015</u>	<u>2016</u>
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 1.3	\$ 1.2
Operating grants & contributions	8.1	8.7
<i>General revenues:</i>		
Taxes	19.1	19.5
General state aid	4.6	5.2
Other	0.1	-
Total revenues	<u>33.2</u>	<u>34.6</u>
Expenses:		
Instruction	21.1	21.1
Pupil & instructional staff services	1.9	2.0
Administration & business	4.9	5.1
Transportation	0.7	0.5
Operations & maintenance	3.5	3.2
Other	1.0	0.7
Total expenses	<u>33.1</u>	<u>32.6</u>
Excess (deficiency) of revenues over expenses	<u>0.1</u>	<u>2.0</u>
Increase (decrease) in net position	<u>\$ 0.1</u>	<u>\$ 2.0</u>

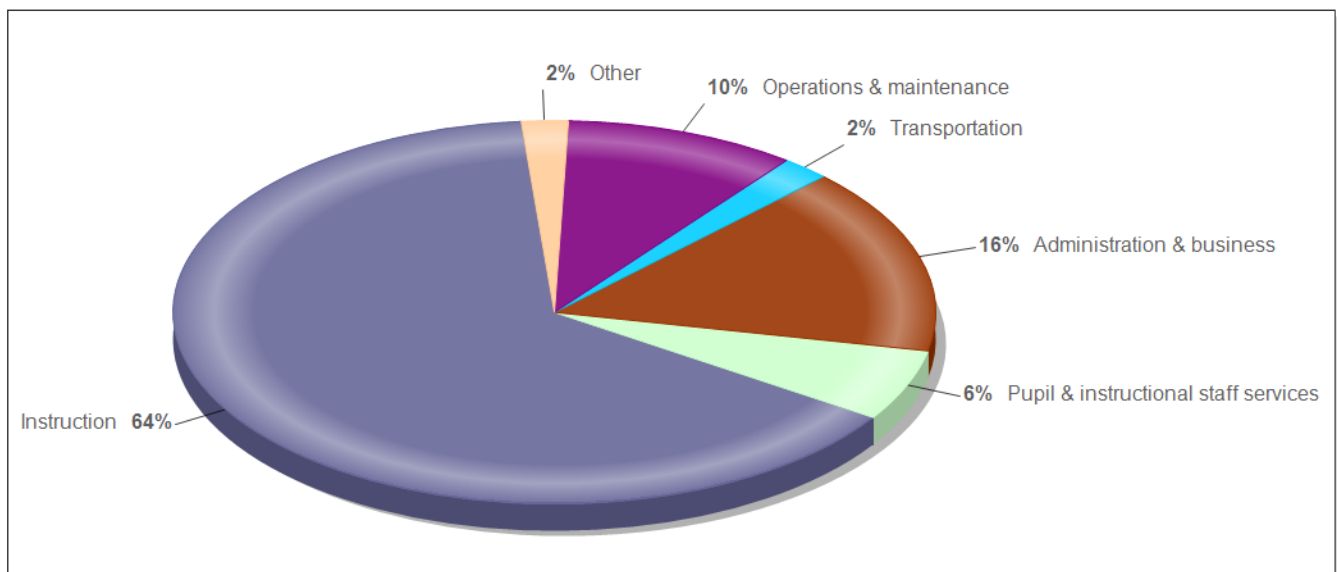
Property taxes accounted for the largest portion of the District's revenues, contributing 57%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$32.6.

Queen Bee School District 16
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2016

District-Wide Revenues by Source



District-Wide Expenses by Function



Financial Analysis of the District's Funds

The District's Governmental Funds balance increased from \$9.5 to \$10.3. This increase was almost entirely attributable to higher than anticipated revenues and expending less than budgeted.

Total revenues for all governmental funds for the 2015 fiscal year were \$33.3. Total revenues for all governmental funds increased by 3% for the 2016 fiscal year to \$34.4. The state on-behalf payment for TRS increased by \$0.4.

Queen Bee School District 16

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

Total expenditures for all governmental funds for the 2015 fiscal year were \$36.9. Total expenditures for all governmental funds decreased by 9% for the 2016 fiscal year to \$33.5. The decrease is mainly related to a decrease in life safety expenditures in 2016 over 2015. The District has expended the balance of its life safety funding that was used to complete major projects over the past three years.

The General Fund ended the 2016 fiscal year with an increase in the fund balance of \$1.2.

The Operations and Maintenance fund balance at June 30, 2016 was \$1.1, which reflects a \$0.4 increase from the 2015 balance. This increase in fund balance is due to continued cost control and less than budgeted spending.

The Transportation Fund balance increased in fiscal year 2016 by \$.1, an increase of 20% over the prior year end balance.

The Municipal Retirement/Social Security Fund balance at June 30, 2016 was \$0.6, which did not change from prior year.

The Debt Service Fund balance at June 30, 2016 was \$0.8, which did not change from prior year

During the year, the District continued to spend down fund balance in the Fire Prevention and Life Safety Fund on planned life safety projects.

General Fund Budgetary Highlights

The District budget is prepared in accordance with Illinois law and is based on the modified accrual basis of accounting (except for the exclusion of the on-behalf payments from other governments discussed in the notes to required supplementary information), utilizing revenues, expenditures and encumbrances. The District did not amend the budget during the year.

Budgeted revenues for fiscal year 2016 in the General Fund were \$19.9. Actual revenues of \$20.0 were higher than the budget by 1%. This increase was due to local and federal funding amounts being over budget by more than general state aid was under budget.

The District is subject to PTEL when property tax revenue is determined. This limit on the District's largest revenue source has made a balanced budget much more difficult. Without increased funding at the state or federal level, which is not restricted to implementing new programs or purchasing new material, the District will continue to be challenged to find adequate funding to support the curriculum. The projection for decreased staffing costs due to several retirements in the next five years will help maintain a balance in the General Fund.

Staffing levels for instructional, administrative, and custodial staff in both the General and Operations and Maintenance Accounts for fiscal 2016 were again controlled to address budgetary concerns. All budgetary expenditure areas experienced relatively conservative increases or remained the same and actual expenditures were restricted to the very necessary.

Queen Bee School District 16

Management's Discussion and Analysis (Unaudited)

As of and for the Year Ended June 30, 2016

Capital Assets and Debt Administration

Capital assets

By the end of 2016, the District had compiled a total investment of \$31.3 (\$18.8 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$0.9. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

Table 3 Capital Assets (net of depreciation) (in millions of dollars)		
	<u>2015</u>	<u>2016</u>
Construction in progress	\$ 0.3	\$ 0.1
Land improvement	0.5	0.5
Buildings and improvement	17.2	18.0
Equipment	<u>0.4</u>	<u>0.2</u>
Total	<u><u>\$ 18.4</u></u>	<u><u>\$ 18.8</u></u>

Long-term debt

At the end of fiscal 2016, the District had a debt margin of \$2.9. More detailed information on long-term debt can be found in Note 5 of the basic financial statements.

Table 4 Outstanding Long-Term Debt (in millions of dollars)		
	<u>2015</u>	<u>2016</u>
General Obligation Bonds	\$ 19.3	\$ 18.5
Debt certificates and other	<u>5.7</u>	<u>6.6</u>
Total	<u><u>\$ 25.0</u></u>	<u><u>\$ 25.1</u></u>

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

Several proposals which aim to overhaul the state's current education funding system, are currently under consideration. Only a few school districts in DuPage County would benefit from the redistribution of wealth under many of these scenarios. The impact on Queen Bee SD16 is uncertain at this time. In addition, discussions have taken place that would freeze property taxes for a period at some point in the near future. Early estimates placed the negative financial impact on Queen Bee School District 16 at approximately \$833,000 for just the next two years.

Pension Reform is currently on hold, but any form of "cost shift" in the future could seriously impact the District, especially in light of shrinking revenue sources. If the cost shift was to be implemented during 2017, the cost per 1% would equal \$92,000; with the total percentage that could be absorbed by the District equaling 9.0%.

Queen Bee School District 16
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended June 30, 2016

General State Aid Proration will continue to impact the District in a negative manner. For FY2016 the District received only 92% of its entitlement which represented a loss of \$448,500.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Michael Cushion, Assistant Superintendent of Business and Finance
Queen Bee School District 16
1560 Bloomingdale Road
Glendale Heights, Illinois 60139

QUEEN BEE SCHOOL DISTRICT 16

STATEMENT OF NET POSITION

AS OF JUNE 30, 2016

	GOVERNMENTAL ACTIVITIES
Assets	
Cash	\$ 10,744,028
Receivables (net of allowance for uncollectibles):	
Property taxes	9,595,260
Replacement taxes	15,358
Intergovernmental	393,647
Other	735,273
Prepaid items	375,829
Capital assets:	
Land	1,628
Construction in progress	58,624
Depreciable buildings, property and equipment, net	<u>18,763,806</u>
Total assets	<u>40,683,453</u>
Deferred outflows of resources	
Deferred charge on refunding	226,799
Deferred outflows related to pensions	<u>1,455,345</u>
Total deferred outflows of resources	<u>1,682,144</u>
Liabilities	
Accounts payable	684,733
Salaries and wages payable	1,300,419
Interest payable	53,738
Unearned student fees	67,585
Long-term liabilities:	
Other long-term liabilities - due within one year	949,407
Other long-term liabilities - due after one year	<u>24,142,653</u>
Total liabilities	<u>27,198,535</u>
Deferred inflows of resources	
Property taxes levied for a future period	9,221,563
Deferred inflows related to pensions	<u>425,337</u>
Total deferred inflows of resources	<u>9,646,900</u>
Net position	
Net investment in capital assets	2,011,050
Restricted for:	
Tort immunity	215,095
Student transportation	839,159
Debt service	605,226
Capital projects	233,840
Unrestricted	<u>1,615,792</u>
Total net position	<u>\$ 5,520,162</u>

See Notes to Basic Financial Statements

QUEEN BEE SCHOOL DISTRICT 16

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		GOVERNMENTAL ACTIVITIES	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		
Governmental activities					
Instruction:					
Regular programs	\$ 7,886,681	\$ 123,832	\$ 79,720	\$	(7,683,129)
Special programs	5,218,673	685,842	1,326,124		(3,206,707)
Other instructional programs	2,016,215	-	349,916		(1,666,299)
State retirement contributions	5,931,725	-	5,931,725		-
Support Services:					
Pupils	492,145	-	-		(492,145)
Instructional staff	1,461,894	-	53,286		(1,408,608)
General administration	1,711,267	-	-		(1,711,267)
School administration	1,443,825	-	-		(1,443,825)
Business	1,945,648	107,588	595,477		(1,242,583)
Transportation	526,267	2,950	332,250		(191,067)
Operations and maintenance	3,183,255	271,240	-		(2,912,015)
Central	64,187	-	-		(64,187)
Interest and fees	719,462	-	-		(719,462)
Total governmental activities	\$ 32,601,244	\$ 1,191,452	\$ 8,668,498		(22,741,294)

General revenues:

Taxes:

Real estate taxes, levied for general purposes	11,456,494
Real estate taxes, levied for specific purposes	6,520,676
Real estate taxes, levied for debt service	1,438,465
Personal property replacement taxes	85,302
State aid-formula grants	5,240,115
Investment income	(1,758)
Miscellaneous	<u>23,095</u>

Total general revenues 24,762,389

Change in net position 2,021,095

Net position, beginning of year 3,499,067

Net position, end of year \$ 5,520,162

See Notes to Basic Financial Statements

QUEEN BEE SCHOOL DISTRICT 16

GOVERNMENTAL FUNDS

BALANCE SHEET

AS OF JUNE 30, 2016

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2015

	GENERAL FUND	TORT IMMUNITY AND JUDGMENT FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND
Assets				
Cash	\$ 7,207,115	\$ 210,282	\$ 1,043,998	\$ 816,542
Receivables (net allowance for uncollectibles):				
Property taxes	5,770,923	123,579	803,702	1,646,592
Replacement taxes	15,358	-	-	-
Intergovernmental	309,632	-	-	84,015
Other	679,190	-	56,083	-
Prepaid items	179,354	-	25,711	-
Total assets	<u>\$ 14,161,572</u>	<u>\$ 333,861</u>	<u>\$ 1,929,494</u>	<u>\$ 2,547,149</u>
Liabilities, deferred inflows of resources, and fund balance				
Liabilities				
Accounts payable	\$ 598,520	\$ -	\$ 34,516	\$ 48,906
Salaries and wages payable	1,300,419	-	-	-
Unearned student fees	67,585	-	-	-
Total liabilities	<u>1,966,524</u>	<u>-</u>	<u>34,516</u>	<u>48,906</u>
Deferred inflows of resources				
Property taxes levied for a future period	5,546,169	118,766	772,401	1,582,464
Unavailable state and federal aid receivable	175,740	-	-	84,015
Total deferred inflows of resources	<u>5,721,909</u>	<u>118,766</u>	<u>772,401</u>	<u>1,666,479</u>
Fund balance				
Nonspendable	179,354	-	25,711	-
Restricted	-	215,095	-	755,144
Assigned	-	-	1,096,866	76,620
Unassigned (deficit)	6,293,785	-	-	-
Total fund balance	<u>6,473,139</u>	<u>215,095</u>	<u>1,122,577</u>	<u>831,764</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 14,161,572</u>	<u>\$ 333,861</u>	<u>\$ 1,929,494</u>	<u>\$ 2,547,149</u>

See Notes to Basic Financial Statements

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND	DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2016	2015
\$ 604,446	\$ 630,913	\$ 230,732	\$ 10,744,028	\$ 10,279,540
396,714	707,422	146,328	9,595,260	9,894,005
-	-	-	15,358	15,295
-	-	-	393,647	387,498
-	-	-	735,273	69,816
-	170,764	-	375,829	365,981
<u>\$ 1,001,160</u>	<u>\$ 1,509,099</u>	<u>\$ 377,060</u>	<u>\$ 21,859,395</u>	<u>\$ 21,012,135</u>

\$ -	\$ 200	\$ 2,591	\$ 684,733	\$ 941,552
-	-	-	1,300,419	1,361,944
-	-	-	67,585	54,785
-	200	2,591	2,052,737	2,358,281
381,263	679,871	140,629	9,221,563	9,187,205
-	-	-	259,755	-
<u>381,263</u>	<u>679,871</u>	<u>140,629</u>	<u>9,481,318</u>	<u>9,187,205</u>
-	170,764	-	375,829	365,981
576,295	658,264	233,840	2,438,638	3,178,381
43,602	-	-	1,217,088	834,278
-	-	-	6,293,785	5,088,009
<u>619,897</u>	<u>829,028</u>	<u>233,840</u>	<u>10,325,340</u>	<u>9,466,649</u>
<u>\$ 1,001,160</u>	<u>\$ 1,509,099</u>	<u>\$ 377,060</u>	<u>\$ 21,859,395</u>	<u>\$ 21,012,135</u>

QUEEN BEE SCHOOL DISTRICT 16
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2016

Total fund balances - governmental funds		\$ 10,325,340
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		18,824,058
Certain state aid revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet.		259,755
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		1,455,345
Deferred charge on refunding included in the Statement of Net Position is not available to pay for current period expenditures and, therefore, is not included in the Governmental Funds Balance Sheet.		226,799
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(425,337)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Balances at June 30, 2016 are:		
Bonds payable	\$ (17,993,489)	
Debt certificates	(990,000)	
Unamortized bond premium	(512,945)	
Net other post employment obligation	(255,194)	
Net pension liability	(5,001,567)	
Compensated absences	<u>(338,865)</u>	
		(25,092,060)
Interest on long-term liabilities accrued in the Statement of Net Position will not be paid with current financial resources and, therefore, is not recognized in the Governmental Funds Balance Sheet.		<u>(53,738)</u>
Net position of governmental activities		<u>\$ 5,520,162</u>

See Notes to Basic Financial Statements

QUEEN BEE SCHOOL DISTRICT 16

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	GENERAL FUND	TORT IMMUNITY AND JUDGMENT FUND	OPERATIONS AND MAINTENANCE FUND	TRANSPORTATION FUND
Revenues				
Property taxes	\$ 11,594,743	\$ 258,811	\$ 1,615,084	\$ 3,399,465
Corporate personal property replacement taxes	53,803	-	-	-
State aid	12,061,926	-	-	248,235
Federal aid	1,325,098	-	-	-
Investment income	(2,350)	-	-	-
Other	901,089	-	310,508	2,950
Total revenues	<u>25,934,309</u>	<u>258,811</u>	<u>1,925,592</u>	<u>3,650,650</u>
Expenditures				
Current:				
Instruction:				
Regular programs	7,184,450	-	-	-
Special programs	2,409,764	-	-	-
Other instructional programs	1,889,795	-	-	-
State retirement contributions	5,931,725	-	-	-
Support Services:				
Pupils	428,495	-	-	-
Instructional staff	1,221,311	-	-	-
General administration	1,389,484	220,420	-	-
School administration	1,279,681	-	-	-
Business	1,462,501	-	255,674	-
Transportation	3,319	-	-	509,768
Operations and maintenance	52,621	-	2,581,876	-
Central	52,000	-	-	-
Payments to other districts and gov't units	2,769,346	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>31,469</u>	<u>-</u>	<u>207,016</u>	<u>-</u>
Total expenditures	<u>26,105,961</u>	<u>220,420</u>	<u>3,044,566</u>	<u>509,768</u>
Excess (deficiency) of revenues over expenditures	<u>(171,652)</u>	<u>38,391</u>	<u>(1,118,974)</u>	<u>3,140,882</u>
Other financing sources (uses)				
Transfers in	1,500,000	-	1,500,000	-
Transfers (out)	(112,753)	-	-	(3,000,000)
Principal on refunding bonds sold	-	-	-	-
Premium on refunding bonds sold	-	-	-	-
Payment to escrow agent	-	-	-	-
Total other financing sources (uses)	<u>1,387,247</u>	<u>-</u>	<u>1,500,000</u>	<u>(3,000,000)</u>
Net change in fund balance	1,215,595	38,391	381,026	140,882
Fund balance, beginning of year	<u>5,257,544</u>	<u>176,704</u>	<u>741,551</u>	<u>690,882</u>
Fund balance, end of year	<u>\$ 6,473,139</u>	<u>\$ 215,095</u>	<u>\$ 1,122,577</u>	<u>\$ 831,764</u>

See Notes to Basic Financial Statements

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND	DEBT SERVICE FUND	FIRE PREVENTION AND LIFE SAFETY FUND	TOTAL	
			2016	2015
\$ 815,256	\$ 1,438,465	\$ 293,811	\$ 19,415,635	\$ 19,029,176
31,499	-	-	85,302	93,176
-	-	13,599	12,323,760	11,489,986
-	-	-	1,325,098	1,241,267
-	-	592	(1,758)	941
-	-	-	1,214,547	1,418,110
<u>846,755</u>	<u>1,438,465</u>	<u>308,002</u>	<u>34,362,584</u>	<u>33,272,656</u>
151,929	-	-	7,336,379	7,311,318
142,403	-	-	2,552,167	2,790,553
45,063	-	-	1,934,858	1,834,214
-	-	-	5,931,725	5,530,945
22,224	-	-	450,719	377,715
43,833	-	-	1,265,144	1,298,569
30,345	-	-	1,640,249	1,587,862
64,322	-	-	1,344,003	1,375,353
28,155	-	-	1,746,330	1,599,760
8,576	-	-	521,663	658,363
259,357	-	1,283,086	4,176,940	7,439,754
-	-	-	52,000	61,712
-	-	-	2,769,346	3,061,889
-	940,011	-	940,011	789,990
-	603,874	-	603,874	809,658
-	-	-	238,485	334,889
<u>796,207</u>	<u>1,543,885</u>	<u>1,283,086</u>	<u>33,503,893</u>	<u>36,862,544</u>
<u>50,548</u>	<u>(105,420)</u>	<u>(975,084)</u>	<u>858,691</u>	<u>(3,589,888)</u>
-	112,753	-	3,112,753	2,690,112
-	-	-	(3,112,753)	(2,690,112)
-	-	-	-	5,375,000
-	-	-	-	240,308
-	-	-	-	(5,508,981)
-	112,753	-	-	106,327
50,548	7,333	(975,084)	858,691	(3,483,561)
<u>569,349</u>	<u>821,695</u>	<u>1,208,924</u>	<u>9,466,649</u>	<u>12,950,210</u>
<u>\$ 619,897</u>	<u>\$ 829,028</u>	<u>\$ 233,840</u>	<u>\$ 10,325,340</u>	<u>\$ 9,466,649</u>

QUEEN BEE SCHOOL DISTRICT 16
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds	\$	858,691
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which current year net capital outlay exceeds depreciation expense in the current period.		431,036
Certain state aid revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements.		259,755
The issuance of long-term debt (bonds, capital leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount of current year principal repayments.		940,012
Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.		28,931
In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:		
Interest payable	\$	4,892
Compensated absences		(10,104)
Other post-employment benefit obligation		(51,763)
Accretion on capital appreciation bonds		(149,412)
Net pension liability		(855,029)
Deferred outflows of resources due to pensions		627,416
Deferred inflows of resources due to pensions		<u>(63,330)</u>
		<u>(497,330)</u>
Change in net position of governmental activities	\$	<u><u>2,021,095</u></u>

See Notes to Basic Financial Statements

QUEEN BEE SCHOOL DISTRICT 16
AGENCY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AS OF JUNE 30, 2016

	<u>AGENCY STUDENT ACTIVITY FUND</u>
<hr/>	
Assets	
Cash	\$ <u>64,020</u>
Total assets	\$ <u><u>64,020</u></u>
Liabilities	
Liabilities, Due to student groups	\$ <u>64,020</u>
Total liabilities	\$ <u><u>64,020</u></u>

See Notes to Basic Financial Statements

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Queen Bee School District 16 (the "District") operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds and fiduciary funds; the fiduciary funds are excluded from the government-wide financial statements.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus, while the fiduciary fund statements do not have a measurement focus. The government-wide financial statements and the fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds.

Tort Immunity and Judgment Fund - accounts for all revenue and expenditures related to the prevention of tort liability. Revenue is derived primarily from local property tax collections and investment income.

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

Transportation Fund - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement / Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service and transfers from other funds.

Capital Project Fund - accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Fire Prevention and Life Safety Fund - accounts for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

Other Fund Types

Fiduciary Funds - account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency Funds - include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not present results of operations or have a measurement focus. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

On-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2015 levy resolution was approved during the December 7, 2015 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2015 and 2014 tax levies were 0.8% and 1.5%, respectively.

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2015 property tax levy is recognized as a receivable in fiscal 2016, net of estimated uncollectible amounts approximating 1% and less amounts already received. The District considers that the first installment of the 2015 levy is to be used to finance operations in fiscal 2016. The District has determined that the second installment of the 2015 levy is to be used to finance operations in fiscal 2017 and has included the corresponding receivable as a deferred inflow of resources.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, vehicles, equipment, and construction in progress are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

<i>Assets</i>	<i>Years</i>
Buildings and building improvements	40
Land improvement	20
Equipment and vehicles	5-10

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide statements.

Compensated Absences

Non-certified employees earn vacation days which vest after the completion of one year of service. Employees accrue vacation days at varying levels depending on job title and years of service. Only benefits considered to be vested are disclosed in these statements.

All vested vacation is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2016 are determined on the basis of current salary rates and include salary related payments.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Equity is classified as net position in the government-wide financial statements and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

Restricted net position - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources.

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Governmental fund balances reported on the fund financial statements at June 30, 2016 are as follows:

The restricted and assigned fund balances in the governmental funds are for the purpose of the respective funds as described above in the Major Governmental Funds section. The nonspendable fund balances are for prepaid items.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2015, from which such summarized information was derived.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 2 - DEPOSITS AND INVESTMENTS

At year end, the District's cash and investments was comprised of the following:

	Government- wide	Fiduciary	Total
Cash	\$ 10,744,028	\$ 64,020	\$ 10,808,048
Total	<u>\$ 10,744,028</u>	<u>\$ 64,020</u>	<u>\$ 10,808,048</u>

For disclosure purposes, this amount is segregated into the following components: 1) cash on hand 2) deposits with financial institutions, which include amounts held in demand accounts, savings accounts and non-negotiable certificates of deposit; and 3) other investments, which consist of all investments other than certificates of deposit, as follows:

	Cash and investments
Cash on hand	\$ 1,700
Deposits with financial institutions	10,754,771
Other investments - ISDLAF +	<u>51,577</u>
Total	<u>\$ 10,808,048</u>

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District's investment policy authorizes investments in any type of security as permitted by Sections 2 through 6 of the Illinois Public Funds Investment Act.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2016, the bank balance of the District's deposit with financial institutions totaled \$11,416,706; of which the entire amount was collateralized and insured.

Custodial Credit Risk - Investments. With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments be secured by private insurance or collateral.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 2 - DEPOSITS AND INVESTMENTS - (CONTINUED)

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

NOTE 3 - INTERFUND TRANSFERS

During the year, the Board transferred \$1,500,000 from the Transportation Fund to Operations and Maintenance Fund and \$1,500,000 from the Transportation Fund to the General Fund (Educational Accounts). These transfers were made to support operations as the funds have met their levy rate ceilings. In addition, the Board transferred \$112,753 from the General Fund (Educational Accounts) to the Debt Service Fund to meet debt service requirements on the District's debt certificates.

State law allows for the above transfers.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2016 was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Capital assets not being depreciated:</u>				
Land	\$ 1,628	\$ -	\$ -	\$ 1,628
Construction in progress	<u>317,044</u>	<u>554,093</u>	<u>812,513</u>	<u>58,624</u>
Total capital assets not being depreciated	<u>318,672</u>	<u>554,093</u>	<u>812,513</u>	<u>60,252</u>
<u>Capital assets being depreciated:</u>				
Land improvements	931,231	2,300	-	933,531
Building improvements	25,707,361	1,565,377	-	27,272,738
Equipment	2,721,871	48,704	-	2,770,575
Vehicles	<u>251,223</u>	<u>-</u>	<u>-</u>	<u>251,223</u>
Total capital assets being depreciated	<u>29,611,686</u>	<u>1,616,381</u>	<u>-</u>	<u>31,228,067</u>
<u>Less Accumulated Depreciation for:</u>				
Land improvements	404,202	44,854	-	449,056
Building improvements	8,575,112	645,443	-	9,220,555
Equipment	2,365,271	188,505	-	2,553,776
Vehicles	<u>192,751</u>	<u>48,123</u>	<u>-</u>	<u>240,874</u>
Total accumulated depreciation	<u>11,537,336</u>	<u>926,925</u>	<u>-</u>	<u>12,464,261</u>
Net capital assets being depreciated	<u>18,074,350</u>	<u>689,456</u>	<u>-</u>	<u>18,763,806</u>
Net governmental activities capital assets	<u>\$ 18,393,022</u>	<u>\$ 1,243,549</u>	<u>\$ 812,513</u>	<u>\$ 18,824,058</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 4 - CAPITAL ASSETS - (CONTINUED)

Depreciation expense was recognized in the operating activities of the District as follows:

<i>Governmental Activities</i>	<i>Depreciation</i>
Regular programs	\$ 446,300
Special Programs	53,124
Instructional staff	230,566
General administration	27,268
School administration	37,830
Operations and maintenance	120,239
Central	<u>11,598</u>
Total depreciation expense - governmental activities	<u>\$ 926,925</u>

NOTE 5 - LONG TERM LIABILITIES

Changes in General Long-term Liabilities. The following is the long-term liability activity for the District for the year ended June 30, 2016:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
General obligation bonds	\$ 18,714,089	\$ 149,412	\$ 870,012	\$ 17,993,489	\$ 636,514
Unamortized premium	<u>588,365</u>	<u>-</u>	<u>75,420</u>	<u>512,945</u>	<u>-</u>
Total bonds payable	<u>19,302,454</u>	<u>149,412</u>	<u>945,432</u>	<u>18,506,434</u>	<u>636,514</u>
Debt certificates	1,060,000	-	70,000	990,000	75,000
Net pension liability - TRS	2,085,831	306,310	348,554	2,043,587	-
Net pension liability - IMRF	2,060,707	1,283,149	385,876	2,957,980	-
Net OPEB Obligation	203,431	201,883	150,120	255,194	-
Compensated absences	<u>328,761</u>	<u>247,997</u>	<u>237,893</u>	<u>338,865</u>	<u>237,893</u>
Total long-term liabilities - governmental activities	<u>\$ 25,041,184</u>	<u>\$ 2,188,751</u>	<u>\$ 2,137,875</u>	<u>\$ 25,092,060</u>	<u>\$ 949,407</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 5 - LONG TERM LIABILITIES - (CONTINUED)

Additions to general obligation bonds includes accretion on capital appreciation bonds. The obligations for the compensated absences, net OPEB obligation, and net pension/liability - TRS will be repaid from the General Fund, and the obligation for the net pension liability - IMRF will be repaid from the Municipal Retirement/Social Security Fund.

General Obligation Bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Indebtedness	Face Amount	Carrying Amount
Series 2001A Capital Appreciation Refunding Bonds dated November 15, 2001 are due in annual installments through November 1, 2021	4.75% to 5.00%	\$ 4,105,000	\$ 3,145,000	\$ 2,713,489
Series 2006 School Building Bonds dated May 1, 2006 are due in annual installments through November 1, 2025	3.70% to 4.30%	7,950,000	1,420,000	1,420,000
Series 2013A Taxable General Obligation Refunding School Bonds dated March 4, 2013 are due in annual installments through June 30, 2024	3.50% to 3.63%	1,000,000	1,000,000	1,000,000
Series 2013B Taxable General Obligation Limited Tax School Bonds dated March 4, 2013 are due in annual installments through June 30, 2033	3.25% to 3.75%	7,565,000	7,565,000	7,565,000
Series 2015 General Obligation Refunding School Bonds dated May 6, 2015 are due in annual installments through May 1, 2026	2.00% to 2.25%	<u>5,375,000</u>	<u>5,295,000</u>	<u>5,295,000</u>
Total		<u>\$ 25,995,000</u>	<u>\$ 18,425,000</u>	<u>\$ 17,993,489</u>

In prior years, the District defeased certain general obligation by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2016, \$5,210,000 of bonds outstanding are considered defeased.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 5 - LONG TERM LIABILITIES - (CONTINUED)

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2017	\$ 905,000	\$ 527,094	\$ 1,432,094
2018	1,005,000	487,394	1,492,394
2019	1,095,000	454,144	1,549,144
2020	1,180,000	429,569	1,609,569
2021	1,280,000	401,969	1,681,969
2022 - 2026	6,945,000	1,556,941	8,501,941
2027 - 2031	4,165,000	800,825	4,965,825
2032 - 2033	<u>1,850,000</u>	<u>103,500</u>	<u>1,953,500</u>
Total	<u>\$ 18,425,000</u>	<u>\$ 4,761,436</u>	<u>\$ 23,186,436</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2016, the statutory debt limit for the District was \$20,491,188, providing a debt margin of \$2,885,851.

Debt Certificates During the year ended June 30, 2010, the District issued Series 2009 Debt Certificates in the amount of \$1,265,000 for the partial refunding of lease certificates and for roof repair at Queen Bee School. The Debt Certificates require annual repayments which begin January 1, 2013 and extend through January 1, 2027. The obligations for the Debt Certificates will be repaid from the Debt Service Fund via transfers from the General Fund.

Annual debt service requirements to maturity for debt certificates are as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2017	\$ 75,000	\$ 40,477	\$ 115,477
2018	75,000	37,853	112,853
2019	80,000	35,040	115,040
2020	80,000	32,040	112,040
2021	85,000	28,840	113,840
2022 - 2026	485,000	88,640	573,640
2027	<u>110,000</u>	<u>4,840</u>	<u>114,840</u>
Total	<u>\$ 990,000</u>	<u>\$ 267,730</u>	<u>\$ 1,257,730</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 6 - RISK MANAGEMENT

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pools: Educational Benefit Cooperative (EBC) for some or all of the employees' benefits and Collective Liability Insurance Cooperative to administer workers' compensation claims, casualty, property, and liability protection, and all insurance other than health, life and accident coverages procured the member districts. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that each will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pools. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 7 - JOINT AGREEMENTS

The District is a member of the Cooperative Association for Special Education (CASE), a joint agreement that provides certain special education programs and services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

Complete financial statements for CASE can be obtained from the administrative office at 22W600 Butterfield Road, Glen Ellyn, Illinois 60137.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

On Behalf Contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 1.07 percent of pay during the year ended June 30, 2016. State of Illinois contributions were \$116,835, and the District recognized revenues and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2015 and June 30, 2014 were 1.02 and .97 percent of pay, respectively. For these years, state contributions on behalf of District employees were \$111,773 and \$106,100, respectively.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.80 percent during the year ended June 30, 2016 and 0.76 and 0.72 percent during the years ended June 30, 2015 and 2014, respectively. For the years ended June 30, 2016, 2015 and 2014 the District paid \$87,353, \$83,282 and \$78,754 to the THIS Fund, respectively, which was 100 percent of the required contribution for those years.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

Medical Insurance Retirement Program

The District administers a single-employer defined benefit healthcare plan ("the Medical Insurance Retirement Program"). The plan provides for eligible retirees and their spouses and covers both active and retired members. Benefit provisions are established through personnel policy guidelines and state that eligible retirees and their spouses at established contribution rates. The Medical Insurance Retirement Program does not issue a publicly available financial report.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. IMRF employees may choose to continue on the District's medical plan until age 65. The District will continue to pay the amount of the single HMO medical premium in the year that the employee retires. The retiree is responsible for any rate increases and dependent coverage is not subsidized. If an IMRF employee chooses not to continue on the District's medical plan upon retirement, they may elect a one-time payment based on years of service at retirement. Years of service groups are 12-15 years, 16-19 years, 20-24 years, and 25+ years with cash payments of \$3,000, \$3,800, \$4,500, and \$5,000, respectively. TRS retirees are not eligible to continue on the District's medical coverage upon retirement. Instead, the District offers an annual stipend for three years which is determined based on years of service at retirement. Years of service groups are 10-14 years, 15-19 years, and 20+ years with annual stipends of \$1,500, \$2,000, and \$2,500, respectively. The District will cover 100% of medical expenses for eligible retired administrators and their spouses until the earliest of age 65 or the completion of ten years.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Medical Insurance Retirement Program, and changes in the District's net OPEB obligation to the Medical Insurance Retirement Program:

Annual required contribution	\$ 200,527
Interest on net OPEB obligation	8,137
Adjustment to annual required contribution	<u>(6,781)</u>
Annual OPEB cost	201,883
Contributions made	<u>(150,120)</u>
Increase in net OPEB obligation (asset)	51,763
Net OPEB Obligation (Asset) - Beginning of Year	<u>203,431</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ 255,194</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Medical Insurance Retirement Program, and the net OPEB obligation for June 30, 2016 is as follows:

<i>Fiscal Year Ended</i>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2016	\$ 201,883	74.36 %	\$ 255,194
June 30, 2015	192,242	62.31 %	203,431
June 30, 2014	192,242	62.31 %	130,968

The funded status of the Medical Insurance Retirement Program as of June 30, 2016, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 2,209,628
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 2,209,628</u></u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 13,874,627
UAAL as a percentage of covered payroll	15.93%

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4 percent investment rate of return and an annual healthcare cost trend rate of 2 percent initially, increased by increments to an ultimate rate of 6 percent after 8 years. The actuarial value of the Medical Insurance Retirement Program assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The Medical Insurance Retirement Program's unfunded actuarial accrued liability is being amortized as a level of percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2016 is 30 years.

NOTE 9 - RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

Teachers' Retirement System

Plan Description. The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Benefits Provided. TRS provides retirement, disability, and death benefits. *Tier I* members have TRS or reciprocal system service prior to January 1, 2011. *Tier I* members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for *Tier II* are identical to those of *Tier I*. Death benefits are payable under a formula that is different from *Tier I*.

Essentially all *Tier I* retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. *Tier II* annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Contributions. The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2016 was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2016, State of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$5,814,890 in pension contributions from the State of Illinois.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2016, were \$63,368, and are deferred because they were paid after the June 30, 2015 measurement date.

Federal and Trust Fund Contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

For the year ended June 30, 2016, the District pension contribution was 36.06 percent of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2016, were \$13,478, which was equal to the District's required contribution. These contributions are deferred because they were paid after the June 30, 2015 measurement date.

TRS Fiduciary Net Position. Detailed information about the TRS's fiduciary net position as of June 30, 2015 is available in the separately issued TRS Comprehensive Annual Financial Report.

Net Pension Liability. At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 2,043,587
State's proportionate share of the collective net pension liability associated with the District	<u>70,975,239</u>
Total	<u>\$ 73,018,826</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, and rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2015, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2015, the District's proportion was 0.00311950 percent, which was a decrease of 0.00342736 from its proportion measured as of June 30, 2014.

Summary of Significant Accounting Policies. For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the June 30, 2015 actuarial valuation included (a) 7.50% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit, and (c) inflation of 3.00%.

The actuarial assumptions for the years ended June 30, 2015 and 2014 were different. The actuarial assumptions used in the June 30, 2015 valuation were based on the 2015 actuarial experience analysis. The investment return assumption remained at 7.5 percent, salary increase assumptions were lowered, retirement rates were increased, mortality updates were made and other assumptions were revised. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered from their 2013 levels.

Mortality. Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap	18.00 %	7.53 %
Global equity excluding U.S.	18.00 %	7.88 %
Aggregate bonds	16.00 %	1.57 %
U.S. TIPS	2.00 %	2.82 %
NCREIF	11.00 %	5.11 %
Opportunistic real estate	4.00 %	9.09 %
ARS	8.00 %	2.57 %
Risk parity	8.00 %	4.87 %
Diversified inflation strategy	1.00 %	3.26 %
Private equity	14.00 %	12.33 %

Discount Rate. At June 30, 2015, the discount rate used to measure the total pension liability was a blended rate of 7.47 percent, which was a change from the June 30, 2014 rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2015 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2014, the discount rate used to measure the total pension liability was 7.50 percent. The discount rate was the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate Sensitivity. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.47 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.47 percent) or 1-percentage-point higher (8.47 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ 2,525,373	\$ 2,043,587	\$ 1,648,510

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2016, the District recognized pension expense of \$148,180 and on-behalf revenue of \$5,814,890 for support provided by the state. At June 30, 2016, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 759	\$ 2,240
Net difference between projected and actual earnings on pension plan investments	40,472	71,560
Assumption changes	28,261	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	351,537
District contributions subsequent to the measurement date	<u>76,846</u>	<u>-</u>
Total	<u>\$ 146,338</u>	<u>\$ 425,337</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2017. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$355,845) will be recognized in pension expense as follows:

<i>Year Ending June 30,</i>	<i>Amount</i>
2017	\$ (109,186)
2018	(109,186)
2019	(109,186)
2020	<u>(28,287)</u>
Total	<u>\$ (355,845)</u>

Illinois Municipal Retirement Fund

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular Tier 2*, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership. At December 31, 2015, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	76
Inactive, non-retired members	91
Active members	<u>82</u>
Total	<u><u>249</u></u>

Contributions. As set by statute, District employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2015 was 12.24 percent of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2015 annual actuarial valuation included (a) 7.47% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	38.00 %	8.85 %	7.39 %
International equities	17.00 %	9.55 %	7.59 %
Fixed income	27.00 %	3.05 %	3.00 %
Real estate	8.00 %	7.20 %	6.00 %
Alternatives	9.00 %		
Private equity		13.15 %	8.15 %
Hedge funds		5.55 %	5.25 %
Commodities		4.40 %	2.75 %
Cash equivalents	1.00 %	2.25 %	2.25 %

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.47%. The discount rate calculated using the December 31, 2014 measurement date was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.57% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2015 to arrive at a discount rate of 7.47 used to determine the total pension liability. The year ending December 31, 2085 is the last year in the 2016 to 2115 projection period for which projected benefit payments are fully funded.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.47% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.47%) or 1 percentage point higher (8.47%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 16,771,332	\$ 14,783,575	\$ 13,148,586
Plan fiduciary net position	<u>11,825,595</u>	<u>11,825,595</u>	<u>11,825,595</u>
Net pension liability/(asset)	<u>\$ 4,945,737</u>	<u>\$ 2,957,980</u>	<u>\$ 1,322,991</u>

Changes in Net Pension Liability/(Asset). The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2015 was as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2014	\$ 13,870,794	\$ 11,810,087	\$ 2,060,707
Service cost	337,385	-	337,385
Interest on total pension liability	1,029,114	-	1,029,114
Differences between expected and actual experience of the total pension liability	90,563	-	90,563
Change of assumptions	18,279	-	18,279
Benefit payments, including refunds of employee contributions	(562,560)	(562,560)	-
Contributions - employer	-	385,876	(385,876)
Contributions - employee	-	141,866	(141,866)
Net investment income	-	58,963	(58,963)
Other (Net Transfer)	-	(8,637)	8,637
Balances at December 31, 2015	<u>\$ 14,783,575</u>	<u>\$ 11,825,595</u>	<u>\$ 2,957,980</u>

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - RETIREMENT SYSTEMS - (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2016, the District recognized pension expense of \$757,555. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 105,323	\$ -
Assumption changes	249,406	-
Net difference between projected and actual earnings on pension plan investments	752,603	-
Contributions subsequent to the measurement date	<u>201,675</u>	<u>-</u>
Total	<u>\$ 1,309,007</u>	<u>\$ -</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2017. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$1,107,332) will be recognized in pension expense as follows:

<i>Year Ending December 31,</i>	<i>Amount</i>
2016	\$ 408,412
2017	322,879
2018	211,009
2019	<u>165,032</u>
Total	<u>\$ 1,107,332</u>

NOTE 10 - STATE AND FEDERAL AID CONTINGENCIES

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowance, if any, would be immaterial.

NOTE 11 - STATE OF ILLINOIS FUNDING

The District receives approximately 22% of its annual revenue from the State of Illinois ("the state"). Published reports have indicated that the state is experiencing financial difficulties which have led to delays in the state's funding of certain grant programs to Illinois school districts. Included in District receivables at June 30, 2016 is \$327,125 of amounts the state has acknowledged as due the District in past due grant funds. Of this amount, \$67,370 was received by August, 2016. The remaining uncollected amount has not been recognized as current year revenue in the fund financial statements since it does not meet the District's criteria of availability used for revenue recognition.

It is believed that the state will continue to delay payment of certain grants during subsequent fiscal years. At June 30, 2016, the District feels it has adequate fund balance reserves to sustain the revenue shortfall; however, continued delays into subsequent years, or a change in the method of state funding, could have an adverse effect on future District financial results.

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

**NOTE 12 - EFFECT OF NEW ACCOUNTING STANDARDS ON
CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, and GASB Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*. Application of these standards may restate portions of these financial statements.

QUEEN BEE SCHOOL DISTRICT 16
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE DISTRICT'S NET PENSION LIABILITY
AND RELATED RATIOS
Two Most Recent Fiscal Years

	<u>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 337,385	\$ 355,043
Interest	1,029,114	927,743
Differences between expected and actual experience	90,563	94,067
Changes of assumptions	18,279	545,700
Benefit payments, including refunds of member contributions	<u>(562,560)</u>	<u>(521,311)</u>
Net change in total pension liability	912,781	1,401,242
Total pension liability - beginning	<u>13,870,794</u>	<u>12,469,552</u>
Total pension liability - ending (a)	<u>\$ 14,783,575</u>	<u>\$ 13,870,794</u>
Plan fiduciary net position		
Employer contributions	\$ 385,876	\$ 367,583
Employee contributions	141,866	139,001
Net investment income	58,963	683,707
Benefit payments, including refunds of member contributions	(562,560)	(521,311)
Other (net transfer)	<u>(8,637)</u>	<u>(74,570)</u>
Net change in plan fiduciary net position	15,508	594,410
Plan fiduciary net position - beginning	<u>11,810,087</u>	<u>11,215,677</u>
Plan fiduciary net position - ending (b)	<u>\$ 11,825,595</u>	<u>\$ 11,810,087</u>
Employer's net pension liability - ending (a) - (b)	<u>\$ 2,957,980</u>	<u>\$ 2,060,707</u>
Plan fiduciary net position as a percentage of the total pension liability	79.99%	85.14%
Covered-employee payroll	\$ 3,152,584	\$ 3,088,931
Employer's net pension liability as a percentage of covered-employee payroll	93.83%	66.71%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015.
Information prior to fiscal year 2015 is not available.

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF DISTRICT CONTRIBUTIONS Two Most Recent Fiscal Years

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 385,876	\$ 367,583
Contributions in relation to the actuarially determined contribution	<u>(385,876)</u>	<u>(367,583)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,152,584	\$ 3,088,931
Contributions as a percentage of covered-employee payroll	12.24%	11.90%

Notes to Schedule:

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

Other information:

There were no benefit changes during the year.

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS
Two Most Recent Fiscal Years

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.00311950%	0.00342736%
District's proportionate share of the net pension liability	\$ 2,043,587	\$ 2,085,831
State's proportionate share of the net pension liability	<u>70,975,239</u>	<u>67,310,034</u>
Total net pension liability	<u>\$ 73,018,826</u>	<u>\$ 69,395,865</u>
Covered-employee payroll	\$ 10,958,163	\$ 10,938,096
District's proportionate share of the net pension liability as a percentage of covered payroll	18.65%	19.07%
Plan fiduciary net position as a percentage of the total pension liability	41.50%	43.00%
Contractually required contribution	\$ 100,219	\$ 109,307
Contributions in relation to the contractually required contribution	<u>(76,846)</u>	<u>(109,307)</u>
Contribution deficiency (excess)	<u>\$ 23,373</u>	<u>\$ -</u>
Contributions as a percentage of covered employee payroll	0.7038%	0.9975%

Note: The District implemented GASB 68 in 2015. Information for fiscal years prior to 2015 is not applicable.

Notes to Schedule:

Amounts reported in 2015 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2014, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and salary increases of 5.75 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16**SCHEDULE OF FUNDING PROGRESS FOR MEDICAL INSURANCE RETIREMENT PROGRAM
AS OF JUNE 30, 2016**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/01/15	\$ -	\$ 2,209,628	\$ 2,209,628	N/A	\$ 13,874,627	15.93%
6/30/13	-	2,422,216	2,422,216	N/A	12,327,133	19.65%
6/30/11	-	2,090,035	2,090,035	N/A	10,035,702	20.83%

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 10,306,580	\$ 10,419,192	\$ 112,612	\$ 10,426,934
Special education levy	1,161,459	1,175,551	14,092	1,174,968
Corporate personal property replacement taxes	66,345	53,803	(12,542)	61,972
Special education - tuition from other LEA's (in state)	825,000	685,842	(139,158)	830,252
Investment income	-	(2,350)	(2,350)	(1,078)
Sales to pupils - lunch	150,000	107,588	(42,412)	146,952
Admissions - athletic	10,000	-	(10,000)	-
Fees	-	10,465	10,465	9,820
Rentals - regular textbook	75,000	70,399	(4,601)	51,024
Contributions and donations from private sources	-	23,095	23,095	78,615
Other	40,000	3,700	(36,300)	762
Total local sources	12,634,384	12,547,285	(87,099)	12,780,221
State sources				
General state aid	5,346,000	5,240,115	(105,885)	4,616,655
Special education - private facility tuition	42,273	117,108	74,835	65,994
Special education - extraordinary	168,399	202,161	33,762	264,164
Special education - personnel	171,325	182,843	11,518	268,889
Special education - orphanage - individual	-	3,469	3,469	-
Special education - summer school	3,003	6,320	3,317	3,537
Bilingual education - downstate - TPI	301,150	257,515	(43,635)	226,401
State free lunch & breakfast	8,000	5,045	(2,955)	6,042
Early childhood - block grant	109,000	107,000	(2,000)	107,020
Other restricted revenue from state sources	12,250	8,625	(3,625)	104,218
Total state sources	6,161,400	6,130,201	(31,199)	5,662,920
Federal sources				
National school lunch program	465,000	472,724	7,724	462,826
School breakfast program	125,000	116,983	(8,017)	129,055
Food service - other	-	-	-	4,105
Title I - Low income	282,457	391,643	109,186	333,944
Federal - special education - IDEA - room & board	2,500	85,832	83,332	2,555
Title III - English language acquisition	89,375	92,401	3,026	81,720
Title II - Teacher quality	50,900	53,286	2,386	51,749
Medicaid matching funds - administrative outreach	50,000	54,733	4,733	52,173
Medicaid matching funds - fee-for-service program	-	-	-	63,148

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other restricted revenue from federal sources	\$ -	\$ 57,496	\$ 57,496	\$ 59,992
Total federal sources	1,065,232	1,325,098	259,866	1,241,267
Total revenues	19,861,016	20,002,584	141,568	19,684,408
Expenditures				
Instruction				
Regular programs				
Salaries	6,086,638	6,173,575	(86,937)	6,110,026
Employee benefits	1,091,365	931,242	160,123	941,024
Purchased services	10,750	5,179	5,571	2,351
Supplies and materials	79,250	71,934	7,316	81,305
Capital outlay	3,000	2,975	25	55,628
Other objects	1,000	520	480	783
Non-capitalized equipment	-	2,000	(2,000)	23,136
Total	7,272,003	7,187,425	84,578	7,214,253
Pre-K programs				
Salaries	140,953	193,087	(52,134)	227,376
Employee benefits	31,256	-	31,256	-
Purchased services	-	3,247	(3,247)	13,302
Supplies and materials	5,200	3,552	1,648	2,862
Total	177,409	199,886	(22,477)	243,540
Special education programs				
Salaries	1,640,753	1,282,161	358,592	1,456,734
Employee benefits	318,773	271,173	47,600	314,335
Purchased services	157,000	67,797	89,203	121,743
Supplies and materials	22,800	19,766	3,034	10,372
Capital outlay	5,000	1,338	3,662	4,764
Non-capitalized equipment	5,000	-	5,000	1,864
Total	2,149,326	1,642,235	507,091	1,909,812
Special education programs Pre-K				
Salaries	-	198,371	(198,371)	192,571
Employee benefits	-	34,253	(34,253)	17,020
Purchased services	-	13,051	(13,051)	-
Total	-	245,675	(245,675)	209,591

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Remedial and supplemental programs K-12				
Salaries	\$ 137,359	\$ 127,012	\$ 10,347	\$ 374,298
Employee benefits	33,327	23,187	10,140	50,363
Purchased services	285,696	67,865	217,831	46,305
Supplies and materials	18,129	292,306	(274,177)	40,133
Non-capitalized equipment	-	12,822	(12,822)	-
Total	<u>474,511</u>	<u>523,192</u>	<u>(48,681)</u>	<u>511,099</u>
Remedial and supplemental programs Pre-K				
Supplies and materials	<u>300</u>	<u>160</u>	<u>140</u>	<u>220</u>
Total	<u>300</u>	<u>160</u>	<u>140</u>	<u>220</u>
Interscholastic programs				
Salaries	116,000	116,768	(768)	117,924
Purchased services	21,500	13,710	7,790	21,103
Supplies and materials	<u>2,400</u>	<u>3,488</u>	<u>(1,088)</u>	<u>219</u>
Total	<u>139,900</u>	<u>133,966</u>	<u>5,934</u>	<u>139,246</u>
Bilingual programs				
Salaries	1,440,965	1,290,401	150,564	1,195,414
Employee benefits	204,822	196,004	8,818	176,823
Purchased services	28,802	25,042	3,760	25,970
Supplies and materials	<u>39,467</u>	<u>44,336</u>	<u>(4,869)</u>	<u>27,249</u>
Total	<u>1,714,056</u>	<u>1,555,783</u>	<u>158,273</u>	<u>1,425,456</u>
Total instruction	<u>11,927,505</u>	<u>11,488,322</u>	<u>439,183</u>	<u>11,653,217</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	96,495	96,495	-	94,959
Employee benefits	8,854	7,566	1,288	8,878
Purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>67</u>
Total	<u>105,349</u>	<u>104,061</u>	<u>1,288</u>	<u>103,904</u>
Guidance services				
Salaries	84,646	90,524	(5,878)	84,806
Employee benefits	<u>9,958</u>	<u>10,006</u>	<u>(48)</u>	<u>9,279</u>
Total	<u>94,604</u>	<u>100,530</u>	<u>(5,926)</u>	<u>94,085</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Health services				
Salaries	\$ 145,659	\$ 191,535	\$ (45,876)	\$ 140,216
Employee benefits	27,029	29,992	(2,963)	23,404
Purchased services	6,000	2,105	3,895	-
Supplies and materials	10,000	-	10,000	2,457
Capital outlay	12,000	11,960	40	-
Total	<u>200,688</u>	<u>235,592</u>	<u>(34,904)</u>	<u>166,077</u>
Psychological services				
Supplies and materials	<u>2,000</u>	<u>272</u>	<u>1,728</u>	<u>549</u>
Total	<u>2,000</u>	<u>272</u>	<u>1,728</u>	<u>549</u>
Total pupils	<u>402,641</u>	<u>440,455</u>	<u>(37,814)</u>	<u>364,615</u>
Instructional staff				
Improvement of instructional services				
Salaries	322,215	307,530	14,685	297,799
Employee benefits	49,014	36,281	12,733	52,207
Purchased services	211,705	201,402	10,303	255,790
Supplies and materials	<u>89,926</u>	<u>83,280</u>	<u>6,646</u>	<u>107,907</u>
Total	<u>672,860</u>	<u>628,493</u>	<u>44,367</u>	<u>713,703</u>
Educational media services				
Salaries	532,544	520,339	12,205	459,761
Employee benefits	63,823	71,099	(7,276)	52,169
Supplies and materials	<u>1,800</u>	<u>1,380</u>	<u>420</u>	<u>28,825</u>
Total	<u>598,167</u>	<u>592,818</u>	<u>5,349</u>	<u>540,755</u>
Assessment and testing				
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>270</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>270</u>
Total instructional staff	<u>1,271,027</u>	<u>1,221,311</u>	<u>49,716</u>	<u>1,254,728</u>
General administration				
Board of education services				
Salaries	144,519	119,328	25,191	88,479
Employee benefits	118,751	166,514	(47,763)	187,621
Purchased services	321,500	282,880	38,620	276,493
Other objects	<u>63,500</u>	<u>50,877</u>	<u>12,623</u>	<u>49,885</u>
Total	<u>648,270</u>	<u>619,599</u>	<u>28,671</u>	<u>602,478</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Executive administration services				
Salaries	\$ 346,290	\$ 328,415	\$ 17,875	\$ 340,161
Employee benefits	98,874	98,449	425	93,438
Purchased services	87,700	96,030	(8,330)	89,966
Supplies and materials	46,500	41,897	4,603	39,067
Other objects	1,500	1,689	(189)	1,039
Non-capitalized equipment	-	-	-	199
Total	<u>580,864</u>	<u>566,480</u>	<u>14,384</u>	<u>563,870</u>
Special area administration services				
Salaries	149,556	155,975	(6,419)	145,281
Employee benefits	42,200	40,815	1,385	34,257
Purchased services	7,500	6,544	956	7,501
Supplies and materials	500	71	429	137
Total	<u>199,756</u>	<u>203,405</u>	<u>(3,649)</u>	<u>187,176</u>
Total general administration	<u>1,428,890</u>	<u>1,389,484</u>	<u>39,406</u>	<u>1,353,524</u>
School administration				
Office of the principal services				
Salaries	1,065,862	1,042,026	23,836	1,055,800
Employee benefits	225,068	218,009	7,059	227,440
Purchased services	4,350	4,783	(433)	2,527
Supplies and materials	16,500	14,116	2,384	26,653
Other objects	-	747	(747)	480
Total	<u>1,311,780</u>	<u>1,279,681</u>	<u>32,099</u>	<u>1,312,900</u>
Total school administration	<u>1,311,780</u>	<u>1,279,681</u>	<u>32,099</u>	<u>1,312,900</u>
Business				
Direction of business support services				
Salaries	314,184	314,184	-	259,824
Employee benefits	66,059	66,259	(200)	63,088
Purchased services	28,900	52,909	(24,009)	26,605
Other objects	2,500	1,179	1,321	2,389
Total	<u>411,643</u>	<u>434,531</u>	<u>(22,888)</u>	<u>351,906</u>
Fiscal services				
Salaries	-	-	-	41,536
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,536</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Operation and maintenance of plant services				
Purchased services	\$ 3,000	\$ 3,388	\$ (388)	\$ 2,562
Capital outlay	22,000	3,242	18,758	14,597
Non-capitalized equipment	<u>25,000</u>	<u>49,233</u>	<u>(24,233)</u>	<u>14,035</u>
Total	<u>50,000</u>	<u>55,863</u>	<u>(5,863)</u>	<u>31,194</u>
Pupil transportation services				
Salaries	16,000	-	16,000	-
Purchased services	<u>11,000</u>	<u>3,319</u>	<u>7,681</u>	<u>10,456</u>
Total	<u>27,000</u>	<u>3,319</u>	<u>23,681</u>	<u>10,456</u>
Food services				
Salaries	140,000	137,180	2,820	136,464
Purchased services	845,000	886,095	(41,095)	893,438
Supplies and materials	3,000	2,695	305	568
Capital outlay	5,000	11,954	(6,954)	6,374
Other objects	2,000	2,000	-	1,305
Non-capitalized equipment	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>790</u>
Total	<u>996,000</u>	<u>1,039,924</u>	<u>(43,924)</u>	<u>1,038,939</u>
Total business	<u>1,484,643</u>	<u>1,533,637</u>	<u>(48,994)</u>	<u>1,474,031</u>
Central				
Information services				
Purchased services	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>-</u>
Total	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>-</u>
Data processing services				
Salaries	-	52,000	(52,000)	56,327
Purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,385</u>
Total	<u>-</u>	<u>52,000</u>	<u>(52,000)</u>	<u>61,712</u>
Total central	<u>7,500</u>	<u>52,000</u>	<u>(44,500)</u>	<u>61,712</u>
Total support services	<u>5,906,481</u>	<u>5,916,568</u>	<u>(10,087)</u>	<u>5,821,510</u>
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	<u>2,875,000</u>	<u>1,659,623</u>	<u>1,215,377</u>	<u>1,678,645</u>
Total	<u>2,875,000</u>	<u>1,659,623</u>	<u>1,215,377</u>	<u>1,678,645</u>

See Auditors' Report and Notes to Required Supplementary Information

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Payments for special education programs - tuition				
Other objects	\$ -	\$ 1,109,723	\$ (1,109,723)	\$ 1,383,244
Total	-	1,109,723	(1,109,723)	1,383,244
Total payments to other districts and governmental units	2,875,000	2,769,346	105,654	3,061,889
Total expenditures	20,708,986	20,174,236	534,750	20,536,616
Excess (deficiency) of revenues over expenditures	(847,970)	(171,652)	676,318	(852,208)
Other financing sources (uses)				
Transfer among funds	1,500,000	1,500,000	-	1,000,000
Transfer to debt service fund to pay principal on debt certificates	-	(70,000)	(70,000)	(245,259)
Transfer to debt service fund to pay interest on debt certificates	-	(42,753)	(42,753)	(44,853)
Other uses not classified elsewhere	(112,753)	-	112,753	-
Total other financing sources (uses)	1,387,247	1,387,247	-	709,888
Net change in fund balance	\$ 539,277	1,215,595	\$ 676,318	(142,320)
Fund balance, beginning of year		5,257,544		5,399,864
Fund balance, end of year		\$ 6,473,139		\$ 5,257,544

QUEEN BEE SCHOOL DISTRICT 16
TORT IMMUNITY AND JUDGMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
Tort immunity levy	\$ 269,774	\$ 258,811	\$ (10,963)	\$ 266,018
Investment income	-	-	-	4
Total local sources	<u>269,774</u>	<u>258,811</u>	<u>(10,963)</u>	<u>266,022</u>
Total revenues	<u>269,774</u>	<u>258,811</u>	<u>(10,963)</u>	<u>266,022</u>
Expenditures				
Support Services				
General administration				
Workers' compensation or workers' occupational disease act payments				
Employee benefits	146,000	-	146,000	-
Purchased services	-	<u>151,705</u>	<u>(151,705)</u>	<u>117,504</u>
Total	<u>146,000</u>	<u>151,705</u>	<u>(5,705)</u>	<u>117,504</u>
Unemployment insurance payments				
Employee benefits	54,000	-	54,000	-
Purchased services	-	-	-	<u>8,320</u>
Total	<u>54,000</u>	-	<u>54,000</u>	<u>8,320</u>
Property insurance (buildings and grounds)				
Employee benefits	69,000	-	69,000	-
Purchased services	-	<u>68,715</u>	<u>(68,715)</u>	<u>71,770</u>
Total	<u>69,000</u>	<u>68,715</u>	<u>285</u>	<u>71,770</u>
Total general administration	<u>269,000</u>	<u>220,420</u>	<u>48,580</u>	<u>197,594</u>
Total support services	<u>269,000</u>	<u>220,420</u>	<u>48,580</u>	<u>197,594</u>
Total expenditures	<u>269,000</u>	<u>220,420</u>	<u>48,580</u>	<u>197,594</u>
Net change in fund balance	<u>\$ 774</u>	38,391	<u>\$ 37,617</u>	68,428
Fund balance, beginning of year		<u>176,704</u>		<u>108,276</u>
Fund balance, end of year		<u>\$ 215,095</u>		<u>\$ 176,704</u>

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 1,597,310	\$ 1,615,084	\$ 17,774	\$ 1,615,880
Investment income	-	-	-	33
Rentals	309,333	271,240	(38,093)	265,152
Other	<u>33,000</u>	<u>39,268</u>	<u>6,268</u>	<u>32,967</u>
Total local sources	<u>1,939,643</u>	<u>1,925,592</u>	<u>(14,051)</u>	<u>1,914,032</u>
Federal sources				
Total revenues	<u>1,939,643</u>	<u>1,925,592</u>	<u>(14,051)</u>	<u>1,914,032</u>
Expenditures				
Support services				
Business				
Direction of business support services				
Purchased services	127,000	131,983	(4,983)	146,318
Supplies and materials	70,000	15,139	54,861	-
Capital outlay	175,000	164,306	10,694	236,171
Non-capitalized equipment	<u>-</u>	<u>108,552</u>	<u>(108,552)</u>	<u>-</u>
Total	<u>372,000</u>	<u>419,980</u>	<u>(47,980)</u>	<u>382,489</u>
Facilities acquisition and construction service				
Purchased services	-	-	-	10,838
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>167</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,005</u>
Operation and maintenance of plant services				
Salaries	1,321,000	1,313,274	7,726	1,294,633
Employee benefits	244,600	246,989	(2,389)	221,684
Purchased services	901,350	611,027	290,323	808,771
Supplies and materials	458,150	410,586	47,564	467,529
Capital outlay	125,000	42,710	82,290	17,355
Non-capitalized equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,245</u>
Total	<u>3,050,100</u>	<u>2,624,586</u>	<u>425,514</u>	<u>2,835,217</u>
Total business	<u>3,422,100</u>	<u>3,044,566</u>	<u>377,534</u>	<u>3,228,711</u>
Total support services	<u>3,422,100</u>	<u>3,044,566</u>	<u>377,534</u>	<u>3,228,711</u>
Total expenditures	<u>3,422,100</u>	<u>3,044,566</u>	<u>377,534</u>	<u>3,228,711</u>
Excess (deficiency) of revenues over expenditures	<u>(1,482,457)</u>	<u>(1,118,974)</u>	<u>363,483</u>	<u>(1,314,679)</u>

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
OPERATIONS AND MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other financing sources (uses)				
Transfer among funds	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ 1,400,000</u>
Total other financing sources (uses)	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>1,400,000</u>
Net change in fund balance	<u>\$ 17,543</u>	381,026	<u>\$ 363,483</u>	85,321
Fund balance, beginning of year		<u>741,551</u>		<u>656,230</u>
Fund balance, end of year		<u>\$ 1,122,577</u>		<u>\$ 741,551</u>

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 3,402,496	\$ 3,399,465	\$ (3,031)	\$ 3,008,738
Regular transportation fees from pupils or parents (in state)	2,500	2,950	450	2,566
Investment income	-	-	-	42
Total local sources	<u>3,404,996</u>	<u>3,402,415</u>	<u>(2,581)</u>	<u>3,011,346</u>
State sources				
Transportation - regular/vocational	3,750	2,254	(1,496)	4,888
Transportation - special education	<u>228,750</u>	<u>245,981</u>	<u>17,231</u>	<u>291,233</u>
Total state sources	<u>232,500</u>	<u>248,235</u>	<u>15,735</u>	<u>296,121</u>
Total revenues	<u>3,637,496</u>	<u>3,650,650</u>	<u>13,154</u>	<u>3,307,467</u>
Expenditures				
Support Services				
Business				
Pupil transportation services				
Salaries	-	18,232	(18,232)	15,997
Purchased services	-	491,536	(491,536)	623,591
Other objects	<u>623,500</u>	-	<u>623,500</u>	-
Total	<u>623,500</u>	<u>509,768</u>	<u>113,732</u>	<u>639,588</u>
Total business	<u>623,500</u>	<u>509,768</u>	<u>113,732</u>	<u>639,588</u>
Total support services	<u>623,500</u>	<u>509,768</u>	<u>113,732</u>	<u>639,588</u>
Total expenditures	<u>623,500</u>	<u>509,768</u>	<u>113,732</u>	<u>639,588</u>
Excess (deficiency) of revenues over expenditures	<u>3,013,996</u>	<u>3,140,882</u>	<u>126,886</u>	<u>2,667,879</u>
Other financing sources (uses)				
Transfer among funds	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>	<u>(2,400,000)</u>
Total other financing sources (uses)	<u>(3,000,000)</u>	<u>(3,000,000)</u>	<u>-</u>	<u>(2,400,000)</u>
Net change in fund balance	<u>\$ 13,996</u>	140,882	<u>\$ 126,886</u>	267,879
Fund balance, beginning of year		<u>690,882</u>		<u>423,003</u>
Fund balance, end of year		<u>\$ 831,764</u>		<u>\$ 690,882</u>

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ -	\$ 478,945	\$ 478,945	\$ 491,929
Social security/medicare only levy	833,612	336,311	(497,301)	344,468
Corporate personal property replacement taxes	22,115	31,499	9,384	31,204
Investment income	-	-	-	12
Total local sources	<u>855,727</u>	<u>846,755</u>	<u>(8,972)</u>	<u>867,613</u>
Total revenues	<u>855,727</u>	<u>846,755</u>	<u>(8,972)</u>	<u>867,613</u>
Expenditures				
Instruction				
Regular programs	164,482	151,929	12,553	152,693
Special education programs	166,163	136,145	30,018	154,718
Educationally deprived/remedial programs	10,949	6,258	4,691	10,097
Interscholastic programs	710	497	213	771
Bilingual programs	<u>25,368</u>	<u>44,566</u>	<u>(19,198)</u>	<u>24,981</u>
Total instruction	<u>367,672</u>	<u>339,395</u>	<u>28,277</u>	<u>343,260</u>
Support services				
Pupils				
Health services	<u>12,459</u>	<u>22,224</u>	<u>(9,765)</u>	<u>13,100</u>
Total pupils	<u>12,459</u>	<u>22,224</u>	<u>(9,765)</u>	<u>13,100</u>
Instructional staff				
Improvement of instructional staff	21,395	19,137	2,258	19,639
Educational media services	<u>25,745</u>	<u>24,696</u>	<u>1,049</u>	<u>24,202</u>
Total instructional staff	<u>47,140</u>	<u>43,833</u>	<u>3,307</u>	<u>43,841</u>
General administration				
Board of education services	6,389	3,462	2,927	5,734
Executive administration services	24,545	17,353	7,192	22,742
Special area administration services	<u>8,956</u>	<u>9,530</u>	<u>(574)</u>	<u>8,268</u>
Total general administration	<u>39,890</u>	<u>30,345</u>	<u>9,545</u>	<u>36,744</u>
School administration				
Office of the principal services	<u>67,235</u>	<u>64,322</u>	<u>2,913</u>	<u>62,453</u>
Total school administration	<u>67,235</u>	<u>64,322</u>	<u>2,913</u>	<u>62,453</u>

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Business				
Direction of business support services	\$ 25,511	\$ 25,246	\$ 265	\$ 23,598
Operations and maintenance of plant services	277,217	259,357	17,860	254,698
Pupil transportation services	9,007	8,576	431	8,319
Food services	<u>3,869</u>	<u>2,909</u>	<u>960</u>	<u>3,670</u>
Total business	<u>315,604</u>	<u>296,088</u>	<u>19,516</u>	<u>290,285</u>
Total support services	<u>482,328</u>	<u>456,812</u>	<u>25,516</u>	<u>446,423</u>
Total expenditures	<u>850,000</u>	<u>796,207</u>	<u>53,793</u>	<u>789,683</u>
Net change in fund balance	<u>\$ 5,727</u>	50,548	<u>\$ 44,821</u>	77,930
Fund balance, beginning of year		<u>569,349</u>		<u>491,419</u>
Fund balance, end of year		<u>\$ 619,897</u>		<u>\$ 569,349</u>

See Auditors' Report and Notes to Required Supplementary Information

QUEEN BEE SCHOOL DISTRICT 16
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 2016

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of an resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts in the General Fund (Educational Accounts). The differences between the budget and GAAP basis are as follows:

	Revenues	Expenditures
General Fund Budgetary Basis	\$ 20,002,584	\$ 20,174,236
To adjust for on-behalf payments received	5,931,725	-
To adjust for on-behalf payments made	<u>-</u>	<u>5,931,725</u>
General Fund GAAP Basis	<u>\$ 25,934,309</u>	<u>\$ 26,105,961</u>

See Auditors' Report

QUEEN BEE SCHOOL DISTRICT 16

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 1,446,620	\$ 1,438,465	\$ (8,155)	\$ 1,406,499
Investment income	-	-	-	23
Total local sources	<u>1,446,620</u>	<u>1,438,465</u>	<u>(8,155)</u>	<u>1,406,522</u>
Total revenues	<u>1,446,620</u>	<u>1,438,465</u>	<u>(8,155)</u>	<u>1,406,522</u>
Expenditures				
Debt services				
Payments on long term debt				
Interest on long term debt	1,544,062	601,049	943,013	702,393
Principal payments on long term debt	-	940,011	(940,011)	789,990
Total	<u>1,544,062</u>	<u>1,541,060</u>	<u>3,002</u>	<u>1,492,383</u>
Other debt service				
Other objects	-	2,825	(2,825)	107,265
Total	<u>-</u>	<u>2,825</u>	<u>(2,825)</u>	<u>107,265</u>
Total debt services	<u>1,544,062</u>	<u>1,543,885</u>	<u>177</u>	<u>1,599,648</u>
Total expenditures	<u>1,544,062</u>	<u>1,543,885</u>	<u>177</u>	<u>1,599,648</u>
Excess (deficiency) of revenues over expenditures	<u>(97,442)</u>	<u>(105,420)</u>	<u>(7,978)</u>	<u>(193,126)</u>
Other financing sources (uses)				
Premium on refunding bonds sold	-	-	-	240,308
Transfer to debt service to pay principal on debt certificates	-	70,000	70,000	245,259
Transfer to debt service to pay interest on debt certificates	-	42,753	42,753	44,853
Other sources not classified elsewhere	112,753	-	(112,753)	5,375,000
Payments to refunding bonds escrow agent	-	-	-	(5,508,981)
Total other financing sources (uses)	<u>112,753</u>	<u>112,753</u>	<u>-</u>	<u>396,439</u>
Net change in fund balance	<u>\$ 15,311</u>	<u>7,333</u>	<u>\$ (7,978)</u>	<u>203,313</u>
Fund balance, beginning of year		<u>821,695</u>		<u>618,382</u>
Fund balance, end of year		<u>\$ 829,028</u>		<u>\$ 821,695</u>

QUEEN BEE SCHOOL DISTRICT 16
FIRE PREVENTION AND LIFE SAFETY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 290,365	\$ 293,811	\$ 3,446	\$ 293,742
Investment income	-	592	592	1,905
Total local sources	<u>290,365</u>	<u>294,403</u>	<u>4,038</u>	<u>295,647</u>
State sources				
Other restricted revenue from state sources	-	13,599	13,599	-
Total state sources	-	13,599	13,599	-
Total revenues	<u>290,365</u>	<u>308,002</u>	<u>17,637</u>	<u>295,647</u>
Expenditures				
Support services				
Business				
Facilities acquisition and construction service				
Purchased services	1,588,701	1,283,086	305,615	4,339,759
Supplies and materials	<u>35,000</u>	-	<u>35,000</u>	-
Total	<u>1,623,701</u>	<u>1,283,086</u>	<u>340,615</u>	<u>4,339,759</u>
Total business	<u>1,623,701</u>	<u>1,283,086</u>	<u>340,615</u>	<u>4,339,759</u>
Total support services	<u>1,623,701</u>	<u>1,283,086</u>	<u>340,615</u>	<u>4,339,759</u>
Total expenditures	<u>1,623,701</u>	<u>1,283,086</u>	<u>340,615</u>	<u>4,339,759</u>
Net change in fund balance	<u>\$ (1,333,336)</u>	(975,084)	<u>\$ 358,252</u>	(4,044,112)
Fund balance, beginning of year		<u>1,208,924</u>		<u>5,253,036</u>
Fund balance, end of year		<u>\$ 233,840</u>		<u>\$ 1,208,924</u>

QUEEN BEE SCHOOL DISTRICT 16**GENERAL FUND**

COMBINING BALANCE SHEET

AS OF JUNE 30, 2016

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Assets			
Cash	\$ 4,571,640	\$ 2,635,475	\$ 7,207,115
Receivables (net allowance for uncollectibles):			
Property taxes	5,701,942	68,981	5,770,923
Replacement taxes	15,358	-	15,358
Intergovernmental	309,632	-	309,632
Other	679,190	-	679,190
Prepaid items	<u>179,354</u>	<u>-</u>	<u>179,354</u>
Total assets	<u>\$ 11,457,116</u>	<u>\$ 2,704,456</u>	<u>\$ 14,161,572</u>
Liabilities, deferred inflows of resources, and fund balance			
Liabilities			
Accounts payable	\$ 598,520	\$ -	\$ 598,520
Salaries and wages payable	1,300,419	-	1,300,419
Unearned student fees	<u>67,585</u>	<u>-</u>	<u>67,585</u>
Total liabilities	<u>1,966,524</u>	<u>-</u>	<u>1,966,524</u>
Deferred inflows of resources			
Property taxes levied for a future period	5,479,875	66,294	5,546,169
Deferred revenue	<u>175,740</u>	<u>-</u>	<u>175,740</u>
Total deferred inflows of resources	<u>5,655,615</u>	<u>66,294</u>	<u>5,721,909</u>
Fund balance			
Nonspendable	179,354	-	179,354
Unassigned	<u>3,655,623</u>	<u>2,638,162</u>	<u>6,293,785</u>
Total fund balance	<u>3,834,977</u>	<u>2,638,162</u>	<u>6,473,139</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 11,457,116</u>	<u>\$ 2,704,456</u>	<u>\$ 14,161,572</u>

QUEEN BEE SCHOOL DISTRICT 16

GENERAL FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

	EDUCATIONAL ACCOUNTS	WORKING CASH ACCOUNTS	TOTAL
Revenues			
Property taxes	\$ 11,456,494	\$ 138,249	\$ 11,594,743
Corporate personal property replacement taxes	53,803	-	53,803
State aid	12,061,926	-	12,061,926
Federal aid	1,325,098	-	1,325,098
Investment income	(2,350)	-	(2,350)
Other	901,089	-	901,089
Total revenues	<u>25,796,060</u>	<u>138,249</u>	<u>25,934,309</u>
Expenditures			
Current:			
Instruction:			
Regular programs	7,184,450	-	7,184,450
Special programs	2,406,508	-	2,409,764
Other instructional programs	1,889,795	-	1,889,795
State retirement contributions	5,931,725	-	5,931,725
Support Services:			
Pupils	428,495	-	428,495
Instructional staff	1,221,311	-	1,221,311
General administration	1,392,740	-	1,389,484
School administration	1,279,681	-	1,279,681
Business	1,462,501	-	1,462,501
Transportation	3,319	-	3,319
Operations and maintenance	52,621	-	52,621
Central	52,000	-	52,000
Payments to other districts and gov't units	2,769,346	-	2,769,346
Capital outlay	31,469	-	31,469
Total expenditures	<u>26,105,961</u>	<u>-</u>	<u>26,105,961</u>
Excess (deficiency) of revenues over expenditures	<u>(309,901)</u>	<u>138,249</u>	<u>(171,652)</u>
Other financing sources (uses)			
Transfers in	1,500,000	-	1,500,000
Transfers (out)	(112,753)	-	(112,753)
Total other financing sources (uses)	<u>1,387,247</u>	<u>-</u>	<u>1,387,247</u>
Net change in fund balance	1,077,346	138,249	1,215,595
Fund balance, beginning of year	<u>2,757,631</u>	<u>2,499,913</u>	<u>5,257,544</u>
Fund balance, end of year	<u>\$ 3,834,977</u>	<u>\$ 2,638,162</u>	<u>\$ 6,473,139</u>

QUEEN BEE SCHOOL DISTRICT 16

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Revenues				
Local sources				
General levy	\$ 10,165,960	\$ 10,280,943	\$ 114,983	\$ 10,284,582
Special education levy	1,161,459	1,175,551	14,092	1,174,968
Corporate personal property replacement taxes	66,345	53,803	(12,542)	61,972
Special education - tuition from other LEA's (in state)	825,000	685,842	(139,158)	830,252
Investment income	-	(2,350)	(2,350)	(1,081)
Sales to pupils - lunch	150,000	107,588	(42,412)	146,952
Admissions - athletic	10,000	-	(10,000)	-
Fees	-	10,465	10,465	9,820
Rentals - regular textbook	75,000	70,399	(4,601)	51,024
Contributions and donations from private sources	-	23,095	23,095	78,615
Other	40,000	3,700	(36,300)	762
Total local sources	12,493,764	12,409,036	(84,728)	12,637,866
State sources				
General state aid	5,346,000	5,240,115	(105,885)	4,616,655
Special education - private facility tuition	42,273	117,108	74,835	65,994
Special education - extraordinary	168,399	202,161	33,762	264,164
Special education - personnel	171,325	182,843	11,518	268,889
Special education - orphanage - individual	-	3,469	3,469	-
Special education - summer school	3,003	6,320	3,317	3,537
Bilingual education - downstate - TPI	301,150	257,515	(43,635)	226,401
State free lunch & breakfast	8,000	5,045	(2,955)	6,042
Early childhood - block grant	109,000	107,000	(2,000)	107,020
Other restricted revenue from state sources	12,250	8,625	(3,625)	104,218
Total state sources	6,161,400	6,130,201	(31,199)	5,662,920
Federal sources				
National school lunch program	465,000	472,724	7,724	462,826
School breakfast program	125,000	116,983	(8,017)	129,055
Food service - other	-	-	-	4,105
Title I - Low income	282,457	391,643	109,186	333,944
Federal - special education - IDEA - room & board	2,500	85,832	83,332	2,555
Title III - English language acquisition	89,375	92,401	3,026	81,720
Title II - Teacher quality	50,900	53,286	2,386	51,749
Medicaid matching funds - administrative outreach	50,000	54,733	4,733	52,173
Medicaid matching funds - fee-for-service program	-	-	-	63,148

(Continued)

QUEEN BEE SCHOOL DISTRICT 16
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Other restricted revenue from federal sources	\$ -	\$ 57,496	\$ 57,496	\$ 59,992
Total federal sources	1,065,232	1,325,098	259,866	1,241,267
Total revenues	19,720,396	19,864,335	143,939	19,542,053
Expenditures				
Instruction				
Regular programs				
Salaries	6,086,638	6,173,575	(86,937)	6,110,026
Employee benefits	1,091,365	931,242	160,123	941,024
Purchased services	10,750	5,179	5,571	2,351
Supplies and materials	79,250	71,934	7,316	81,305
Capital outlay	3,000	2,975	25	55,628
Other objects	1,000	520	480	783
Non-capitalized equipment	-	2,000	(2,000)	23,136
Total	7,272,003	7,187,425	84,578	7,214,253
Pre-K programs				
Salaries	140,953	193,087	(52,134)	227,376
Employee benefits	31,256	-	31,256	-
Purchased services	-	3,247	(3,247)	13,302
Supplies and materials	5,200	3,552	1,648	2,862
Total	177,409	199,886	(22,477)	243,540
Special education programs				
Salaries	1,640,753	1,282,161	358,592	1,456,734
Employee benefits	318,773	271,173	47,600	314,335
Purchased services	157,000	67,797	89,203	121,743
Supplies and materials	22,800	16,510	6,290	10,372
Capital outlay	5,000	1,338	3,662	4,764
Non-capitalized equipment	5,000	-	5,000	1,864
Total	2,149,326	1,638,979	510,347	1,909,812
Special education programs Pre-K				
Salaries	-	198,371	(198,371)	192,571
Employee benefits	-	34,253	(34,253)	17,020
Purchased services	-	13,051	(13,051)	-
Total	-	245,675	(245,675)	209,591

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Remedial and supplemental programs K - 12				
Salaries	\$ 137,359	\$ 127,012	\$ 10,347	\$ 374,298
Employee benefits	33,327	23,187	10,140	50,363
Purchased services	285,696	67,865	217,831	46,305
Supplies and materials	18,129	292,306	(274,177)	40,133
Non-capitalized equipment	-	12,822	(12,822)	-
Total	<u>474,511</u>	<u>523,192</u>	<u>(48,681)</u>	<u>511,099</u>
Remedial and supplemental programs Pre - K				
Supplies and materials	<u>300</u>	<u>160</u>	<u>140</u>	<u>220</u>
Total	<u>300</u>	<u>160</u>	<u>140</u>	<u>220</u>
Interscholastic programs				
Salaries	116,000	116,768	(768)	117,924
Purchased services	21,500	13,710	7,790	21,103
Supplies and materials	<u>2,400</u>	<u>3,488</u>	<u>(1,088)</u>	<u>219</u>
Total	<u>139,900</u>	<u>133,966</u>	<u>5,934</u>	<u>139,246</u>
Bilingual programs				
Salaries	1,440,965	1,290,401	150,564	1,195,414
Employee benefits	204,822	196,004	8,818	176,823
Purchased services	28,802	25,042	3,760	25,970
Supplies and materials	<u>39,467</u>	<u>44,336</u>	<u>(4,869)</u>	<u>27,249</u>
Total	<u>1,714,056</u>	<u>1,555,783</u>	<u>158,273</u>	<u>1,425,456</u>
Total instruction	<u>11,927,505</u>	<u>11,485,066</u>	<u>442,439</u>	<u>11,653,217</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	96,495	96,495	-	94,959
Employee benefits	8,854	7,566	1,288	8,878
Purchased services	-	-	-	67
Total	<u>105,349</u>	<u>104,061</u>	<u>1,288</u>	<u>103,904</u>
Guidance services				
Salaries	84,646	90,524	(5,878)	84,806
Employee benefits	<u>9,958</u>	<u>10,006</u>	<u>(48)</u>	<u>9,279</u>
Total	<u>94,604</u>	<u>100,530</u>	<u>(5,926)</u>	<u>94,085</u>

(Continued)

QUEEN BEE SCHOOL DISTRICT 16
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Health services				
Salaries	\$ 145,659	\$ 191,535	\$ (45,876)	\$ 140,216
Employee benefits	27,029	29,992	(2,963)	23,404
Purchased services	6,000	2,105	3,895	-
Supplies and materials	10,000	-	10,000	2,457
Capital outlay	12,000	11,960	40	-
Total	<u>200,688</u>	<u>235,592</u>	<u>(34,904)</u>	<u>166,077</u>
Psychological services				
Supplies and materials	<u>2,000</u>	<u>272</u>	<u>1,728</u>	<u>549</u>
Total	<u>2,000</u>	<u>272</u>	<u>1,728</u>	<u>549</u>
Total pupils	<u>402,641</u>	<u>440,455</u>	<u>(37,814)</u>	<u>364,615</u>
Instructional staff				
Improvement of instructional services				
Salaries	322,215	307,530	14,685	297,799
Employee benefits	49,014	36,281	12,733	52,207
Purchased services	211,705	201,402	10,303	255,790
Supplies and materials	89,926	83,280	6,646	107,907
Total	<u>672,860</u>	<u>628,493</u>	<u>44,367</u>	<u>713,703</u>
Educational media services				
Salaries	532,544	520,339	12,205	459,761
Employee benefits	63,823	71,099	(7,276)	52,169
Supplies and materials	1,800	1,380	420	28,825
Total	<u>598,167</u>	<u>592,818</u>	<u>5,349</u>	<u>540,755</u>
Assessment and testing				
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>270</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>270</u>
Total instructional staff	<u>1,271,027</u>	<u>1,221,311</u>	<u>49,716</u>	<u>1,254,728</u>
General administration				
Board of education services				
Salaries	144,519	119,328	25,191	88,479
Employee benefits	118,751	166,514	(47,763)	187,621
Purchased services	321,500	282,880	38,620	276,493
Other objects	63,500	50,877	12,623	49,885
Total	<u>648,270</u>	<u>619,599</u>	<u>28,671</u>	<u>602,478</u>

(Continued)

QUEEN BEE SCHOOL DISTRICT 16

EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Executive administration services				
Salaries	\$ 346,290	\$ 328,415	\$ 17,875	\$ 340,161
Employee benefits	98,874	98,449	425	93,438
Purchased services	87,700	96,030	(8,330)	89,966
Supplies and materials	46,500	45,153	1,347	39,067
Other objects	1,500	1,689	(189)	1,039
Non-capitalized equipment	-	-	-	199
Total	<u>580,864</u>	<u>569,736</u>	<u>11,128</u>	<u>563,870</u>
Special area administration services				
Salaries	149,556	155,975	(6,419)	145,281
Employee benefits	42,200	40,815	1,385	34,257
Purchased services	7,500	6,544	956	7,501
Supplies and materials	500	71	429	137
Total	<u>199,756</u>	<u>203,405</u>	<u>(3,649)</u>	<u>187,176</u>
Total general administration	<u>1,428,890</u>	<u>1,392,740</u>	<u>36,150</u>	<u>1,353,524</u>
School administration				
Office of the principal services				
Salaries	1,065,862	1,042,026	23,836	1,055,800
Employee benefits	225,068	218,009	7,059	227,440
Purchased services	4,350	4,783	(433)	2,527
Supplies and materials	16,500	14,116	2,384	26,653
Other objects	-	747	(747)	480
Total	<u>1,311,780</u>	<u>1,279,681</u>	<u>32,099</u>	<u>1,312,900</u>
Total school administration	<u>1,311,780</u>	<u>1,279,681</u>	<u>32,099</u>	<u>1,312,900</u>
Business				
Direction of business support services				
Salaries	314,184	314,184	-	259,824
Employee benefits	66,059	66,259	(200)	63,088
Purchased services	28,900	52,909	(24,009)	26,605
Other objects	2,500	1,179	1,321	2,389
Total	<u>411,643</u>	<u>434,531</u>	<u>(22,888)</u>	<u>351,906</u>
Fiscal services				
Salaries	-	-	-	41,536
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,536</u>

(Continued)

QUEEN BEE SCHOOL DISTRICT 16
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Operation and maintenance of plant services				
Purchased services	\$ 3,000	\$ 3,388	\$ (388)	\$ 2,562
Capital outlay	22,000	3,242	18,758	14,597
Non-capitalized equipment	<u>25,000</u>	<u>49,233</u>	<u>(24,233)</u>	<u>14,035</u>
Total	<u>50,000</u>	<u>55,863</u>	<u>(5,863)</u>	<u>31,194</u>
Pupil transportation services				
Salaries	16,000	-	16,000	-
Purchased services	<u>11,000</u>	<u>3,319</u>	<u>7,681</u>	<u>10,456</u>
Total	<u>27,000</u>	<u>3,319</u>	<u>23,681</u>	<u>10,456</u>
Food services				
Salaries	140,000	137,180	2,820	136,464
Purchased services	845,000	886,095	(41,095)	893,438
Supplies and materials	3,000	2,695	305	568
Capital outlay	5,000	11,954	(6,954)	6,374
Other objects	2,000	2,000	-	1,305
Non-capitalized equipment	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>790</u>
Total	<u>996,000</u>	<u>1,039,924</u>	<u>(43,924)</u>	<u>1,038,939</u>
Total business	<u>1,484,643</u>	<u>1,533,637</u>	<u>(48,994)</u>	<u>1,474,031</u>
Central				
Information services				
Purchased services	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>-</u>
Total	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>-</u>
Data processing services				
Salaries	-	52,000	(52,000)	56,327
Purchased services	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,385</u>
Total	<u>-</u>	<u>52,000</u>	<u>(52,000)</u>	<u>61,712</u>
Total central	<u>7,500</u>	<u>52,000</u>	<u>(44,500)</u>	<u>61,712</u>
Total support services	<u>5,906,481</u>	<u>5,919,824</u>	<u>(13,343)</u>	<u>5,821,510</u>
Payments to other districts and governmental units				
Payments for special education programs				
Purchased services	<u>2,875,000</u>	<u>1,659,623</u>	<u>1,215,377</u>	<u>1,678,645</u>
Total	<u>2,875,000</u>	<u>1,659,623</u>	<u>1,215,377</u>	<u>1,678,645</u>

(Continued)

QUEEN BEE SCHOOL DISTRICT 16
EDUCATIONAL ACCOUNTS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL - NON-
GAAP BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2016

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ACTUAL
Payments for special education programs - tuition				
Other objects	\$ -	\$ 1,109,723	\$ (1,109,723)	\$ 1,383,244
Total	-	1,109,723	(1,109,723)	1,383,244
Total payments to other districts and governmental units	2,875,000	2,769,346	105,654	3,061,889
Total expenditures	20,708,986	20,174,236	534,750	20,536,616
Excess (deficiency) of revenues over expenditures	(988,590)	(309,901)	678,689	(994,563)
Other financing sources (uses)				
Transfer among funds	1,500,000	1,500,000	-	1,000,000
Transfer to debt service fund to pay principal on debt certificates	-	(70,000)	(70,000)	(245,259)
Transfer to debt service fund to pay interest on debt certificates	-	(42,753)	(42,753)	(44,853)
Other uses not classified elsewhere	(112,753)	-	112,753	-
Total other financing sources (uses)	1,387,247	1,387,247	-	709,888
Net change in fund balance	\$ 398,657	1,077,346	\$ 678,689	(284,675)
Fund balance, beginning of year		2,757,631		3,042,306
Fund balance, end of year		\$ 3,834,977		\$ 2,757,631

(Concluded)

QUEEN BEE SCHOOL DISTRICT 16**WORKING CASH ACCOUNTS**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015

	2016		VARIANCE WITH FINAL BUDGET	2015 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
Revenues				
Local sources				
General levy	\$ 140,620	\$ 138,249	\$ (2,371)	\$ 142,352
Investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
Total local sources	<u>140,620</u>	<u>138,249</u>	<u>(2,371)</u>	<u>142,355</u>
Total revenues	<u>140,620</u>	<u>138,249</u>	<u>(2,371)</u>	<u>142,355</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 140,620</u>	138,249	<u>\$ (2,371)</u>	142,355
Fund balance, beginning of year		<u>2,499,913</u>		<u>2,357,558</u>
Fund balance, end of year		<u>\$ 2,638,162</u>		<u>\$ 2,499,913</u>

QUEEN BEE SCHOOL DISTRICT NO. 16
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016

	BALANCE JUNE 30, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Assets				
Cash and investments	\$ 55,610	\$ 212,812	\$ 204,402	\$ 64,020
Total assets	<u>\$ 55,610</u>	<u>\$ 212,812</u>	<u>\$ 204,402</u>	<u>\$ 64,020</u>
Liabilities				
Due to Activity Fund Organizations:				
Glenside	\$ 44,874	\$ 157,181	\$ 156,260	\$ 45,795
Americana	6,794	32,895	26,574	13,115
Pheasant Ridge	1,900	11,945	8,224	5,621
Glen Hill	<u>2,042</u>	<u>10,791</u>	<u>13,344</u>	<u>(511)</u>
Total Due to Activity Fund Organizations	<u>55,610</u>	<u>212,812</u>	<u>204,402</u>	<u>64,020</u>
Total liabilities	<u>\$ 55,610</u>	<u>\$ 212,812</u>	<u>\$ 204,402</u>	<u>\$ 64,020</u>

QUEEN BEE SCHOOL DISTRICT 16
OPERATING COST AND TUITION CHARGE
FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015

	2016	2015
Operating Cost Per Pupil		
Average Daily Attendance (ADA):	<u>1,754</u>	<u>1,826</u>
Operating Costs:		
Educational	\$ 20,174,236	\$ 20,536,616
Operations and maintenance	3,044,566	3,228,711
Debt service	1,543,885	1,599,648
Transportation	509,768	639,588
Municipal retirement/social security	796,207	789,683
Tort	<u>220,420</u>	<u>197,594</u>
Subtotal	<u>26,289,082</u>	<u>26,991,840</u>
Less Revenues/Expenditures of Nonregular Programs:		
Pre-K programs	445,721	453,351
Capital outlay	238,485	334,889
Non-capitalized equipment	172,607	65,269
Debt principal retired	940,011	789,990
Payments to other districts & governmental units	<u>2,769,346</u>	<u>3,061,889</u>
Subtotal	<u>4,566,170</u>	<u>4,705,388</u>
Operating costs	<u>\$ 21,722,912</u>	<u>\$ 22,286,452</u>
Operating Cost Per Pupil - Based on ADA	<u>\$ 12,386</u>	<u>\$ 12,206</u>
Tuition Charge		
Operating Costs	\$ 21,722,912	\$ 22,286,452
Less - revenues from specific programs, such as special education or lunch programs	<u>2,819,061</u>	<u>2,952,147</u>
Net operating costs	18,903,851	19,334,305
Depreciation allowance	<u>911,573</u>	<u>864,545</u>
Allowable Tuition Costs	<u>\$ 19,815,424</u>	<u>\$ 20,198,850</u>
Tuition Charge Per Pupil - based on ADA	<u>\$ 11,298</u>	<u>\$ 11,062</u>

QUEEN BEE SCHOOL DISTRICT 16

2001A CAPITAL APPRECIATION BONDS

AS OF JUNE 30, 2016

YEAR ENDED JUNE 30,	PRINCIPAL
2017	\$ 485,000
2018	500,000
2019	515,000
2020	530,000
2021	550,000
2022	<u>565,000</u>
Total	<u>\$ 3,145,000</u>

Paying Agent: Cole Taylor Bank

Principal payment date: November 1

Interest payment dates: November 1

Interest rates: 4.75% - 5.00%

QUEEN BEE SCHOOL DISTRICT 16

2006 SCHOOL BUILDING BONDS

AS OF JUNE 30, 2016

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2017	\$ 395,000	\$ 83,075	\$ 478,075
2018	475,000	43,925	518,925
2019	<u>550,000</u>	<u>11,275</u>	<u>561,275</u>
Total	<u>\$ 1,420,000</u>	<u>\$ 138,275</u>	<u>\$ 1,558,275</u>

Paying Agent:

JP Morgan Chase

Principal payment date:

November 1

Interest payment dates:

May 1 and November 1

Interest rates:

3.70% - 4.30%

QUEEN BEE SCHOOL DISTRICT 16
2013A GENERAL OBLIGATION REFUNDING SCHOOL BONDS
AS OF JUNE 30, 2016

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2017	\$ -	\$ 35,525	\$ 35,525
2018	-	35,525	35,525
2019	-	35,525	35,525
2020	-	35,525	35,525
2021	-	35,525	35,525
2022	-	35,525	35,525
2023	580,000	35,525	615,525
2024	<u>420,000</u>	<u>15,225</u>	<u>435,225</u>
Total	<u>\$ 1,000,000</u>	<u>\$ 263,900</u>	<u>\$ 1,263,900</u>

Paying Agent: Amalgamated Bank of Chicago

Principal payment date: January 1

Interest payment dates: January 1 and June 1

Interest rates: 3.50% to 3.63%

QUEEN BEE SCHOOL DISTRICT 16
2013B TAXABLE GENERAL OBLIGATION LIMITED TAX SCHOOL BONDS
AS OF JUNE 30, 2016

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2017	\$ -	\$ 265,525	\$ 265,525
2018	-	265,525	265,525
2019	-	265,525	265,525
2020	-	265,525	265,525
2021	-	265,525	265,525
2022	-	265,525	265,525
2023	-	265,525	265,525
2024	200,000	265,525	465,525
2025	655,000	259,025	914,025
2026	695,000	237,738	932,738
2027	740,000	215,150	955,150
2028	785,000	189,250	974,250
2029	830,000	161,775	991,775
2030	880,000	132,725	1,012,725
2031	930,000	101,925	1,031,925
2032	940,000	69,375	1,009,375
2033	<u>910,000</u>	<u>34,125</u>	<u>944,125</u>
Total	<u>\$ 7,565,000</u>	<u>\$ 3,525,288</u>	<u>\$ 11,090,288</u>

Paying Agent: Amalgamated Bank of Chicago

Principal payment date: January 1

Interest payment dates: January 1 and June 1

Interest rates: 3.25% to 3.75%

QUEEN BEE SCHOOL DISTRICT 16
2015 GENERAL OBLIGATION REFUNDING SCHOOL BONDS
AS OF JUNE 30, 2016

YEAR ENDED JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2017	\$ 25,000	\$ 142,969	\$ 167,969
2018	30,000	142,419	172,419
2019	30,000	141,819	171,819
2020	650,000	128,519	778,519
2021	730,000	100,919	830,919
2022	810,000	74,169	884,169
2023	885,000	53,169	938,169
2024	965,000	34,669	999,669
2025	1,045,000	13,916	1,058,916
2026	<u>125,000</u>	<u>1,406</u>	<u>126,406</u>
Total	<u>\$ 5,295,000</u>	<u>\$ 833,974</u>	<u>\$ 6,128,974</u>

Paying Agent: Amalgamated Bank of Chicago

Principal payment date: November 1

Interest payment dates: November 1 and May 1

Interest rates: 2.00% to 2.25%

QUEEN BEE SCHOOL DISTRICT 16
BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR FISCAL YEAR 2016
AS OF JUNE 30, 2016

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	TOTAL
Fund Balance, July 1, 2016	\$ 6,473,139	\$ 2,789,333	\$ 829,028	\$ 233,840	\$ 10,325,340
Add Revenues	20,346,354	7,069,291	1,464,042	405,425	29,285,112
Less Expenditures	(20,998,482)	(5,611,495)	(1,553,573)	(347,000)	(28,510,550)
Transfers	<u>1,287,247</u>	<u>-</u>	<u>112,753</u>	<u>-</u>	<u>1,400,000</u>
Fund Balance, June 30, 2017	<u>\$ 7,108,258</u>	<u>\$ 4,247,129</u>	<u>\$ 852,250</u>	<u>\$ 292,265</u>	<u>\$ 12,499,902</u>

Note: The General Fund includes the District's Educational Accounts and Working Cash Accounts. The Special Revenue Funds include the District's Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/ Social Security Fund and Tort Immunity and Judgment Fund. The Capital Projects Funds include the District's Capital Projects Fund and Fire Prevention and Life Safety Fund.

Source: The District's 2016 Comprehensive Annual Financial Report and 2017 Budget.

Statistical Section

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	84
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	96
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	102
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	107
These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place.	
Operating Information	111
These schedules contain information about the District's service and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

QUEEN BEE SCHOOL DISTRICT 16**NET POSITION BY COMPONENT**

LAST TEN FISCAL YEARS

	2016	2015	2014*	2013	2012
Governmental activities					
Net investment in					
capital assets	\$ 2,011,050	\$ 1,548,126	\$ 2,138,219	\$ 2,084,606	\$ 3,217,821
Restricted	1,893,320	2,209,246	2,012,061	2,052,720	1,683,138
Unrestricted	<u>1,615,792</u>	<u>(258,305)</u>	<u>2,622,700</u>	<u>2,041,402</u>	<u>1,485,363</u>
Total governmental activities					
net position	<u>\$ 5,520,162</u>	<u>\$ 3,499,067</u>	<u>\$ 6,772,980</u>	<u>\$ 6,178,728</u>	<u>\$ 6,386,322</u>

*2014 information is not restated for the implementation of GASB 68 and 71

	2011	2010	2009	2008	2007
\$	1,646,426	\$ 1,781,978	\$ 1,503,789	\$ 1,337,567	\$ 980,913
	1,915,339	748,303	747,993	719,195	639,923
	<u>1,851,842</u>	<u>381,998</u>	<u>(1,749,592)</u>	<u>(2,193,412)</u>	<u>(2,985,020)</u>
\$	<u>5,413,607</u>	<u>\$ 2,912,279</u>	<u>\$ 502,190</u>	<u>\$ (136,650)</u>	<u>\$ (1,364,184)</u>

QUEEN BEE SCHOOL DISTRICT 16

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2016	2015	2014	2013
Expenses				
Instruction:				
Regular programs	\$ 7,886,681	\$ 7,800,694	\$ 7,878,288	\$ 7,734,367
Special programs	5,218,673	5,959,297	5,103,664	4,924,567
Other instructional programs	2,016,215	1,844,683	1,784,553	2,031,073
State retirement contributions	5,931,725	5,530,945	3,919,469	3,083,892
Support services:				
Pupils	492,145	383,312	356,725	348,357
Instructional staff	1,461,894	1,519,507	1,374,588	1,320,754
General administration	1,711,267	1,645,843	1,541,267	1,381,672
School administration	1,443,825	1,427,976	1,415,637	1,278,822
Business	1,945,648	1,859,219	1,401,200	1,282,661
Transportation	526,267	661,924	614,949	683,071
Operations and maintenance	3,183,255	3,497,294	3,097,012	3,139,083
Central	64,187	71,601	77,804	149,055
Other supporting services	-	-	-	-
Interest and fees	719,462	928,572	1,305,229	647,202
Total expenses	<u>\$ 32,601,244</u>	<u>\$ 33,130,867</u>	<u>\$ 29,870,385</u>	<u>\$ 28,004,576</u>
Program Revenues				
Charges for services:				
Instruction:				
Regular programs	\$ 123,832	\$ 94,573	\$ 106,055	\$ 134,336
Special programs	685,842	830,252	638,364	610,661
Support services:				
Business	107,588	146,952	147,719	161,244
Transportation	2,950	2,566	1,047	1,001
Operations and maintenance	271,240	265,152	269,528	247,571
Operating grants and contributions	8,668,498	8,114,598	6,452,117	5,556,484
Capital grants and contributions	-	-	95,010	-
Total program revenues	<u>\$ 9,859,950</u>	<u>\$ 9,454,093</u>	<u>\$ 7,709,840</u>	<u>\$ 6,711,297</u>
Net (expense)/revenue	<u>\$ (22,741,294)</u>	<u>\$ (23,676,774)</u>	<u>\$ (22,160,545)</u>	<u>\$ (21,293,279)</u>
General revenues				
Taxes:				
Real estate taxes, levied for general purposes	\$ 11,456,494	\$ 11,459,550	\$ 12,232,087	\$ 12,986,302
Real estate taxes, levied for specific purposes	6,520,676	6,163,127	5,210,620	4,001,396
Real estate taxes, levied for debt service	1,438,465	1,406,499	1,364,080	1,289,995
Personal property replacement taxes	85,302	93,176	90,712	85,643
State aid-formula grants	5,240,115	4,616,655	3,781,861	2,848,275
Investment earnings	(1,758)	941	3,342	(558)
Miscellaneous	23,095	78,615	72,095	-
Total general revenues	<u>\$ 24,762,389</u>	<u>\$ 23,818,563</u>	<u>\$ 22,754,797</u>	<u>\$ 21,211,053</u>
Change in net position	<u>\$ 2,021,095</u>	<u>\$ 141,789</u>	<u>\$ 594,252</u>	<u>\$ (82,226)</u>

2012	2011	2010	2009	2008	2007
\$ 7,407,528	\$ 7,097,493	\$ 7,798,101	\$ 7,364,397	\$ 7,625,751	\$ 7,870,145
4,028,861	3,378,130	3,446,198	3,188,590	2,783,707	2,741,392
1,875,547	1,550,280	1,511,787	1,649,906	1,116,305	641,797
2,635,403	2,277,948	2,564,245	1,876,554	1,461,577	991,575
346,371	404,725	388,130	371,823	344,645	357,210
1,181,569	1,086,500	1,205,731	1,225,047	1,153,067	1,253,441
1,267,995	1,250,012	1,272,079	1,187,912	1,296,076	994,143
1,264,012	1,156,240	1,326,410	1,471,011	1,222,605	1,288,637
1,166,701	811,357	796,046	629,301	568,251	551,709
647,722	665,135	604,172	599,387	502,942	431,795
3,011,830	2,697,759	2,594,563	2,581,322	2,709,943	2,725,074
100,994	90,629	82,332	117,782	127,232	104,541
-	-	1,000	-	-	-
717,960	793,636	825,390	859,166	908,175	1,027,211
<u>\$ 25,652,493</u>	<u>\$ 23,259,844</u>	<u>\$ 24,416,184</u>	<u>\$ 23,122,198</u>	<u>\$ 21,820,276</u>	<u>\$ 20,978,670</u>
\$ 118,956	\$ 150,249	\$ 645,247	\$ 147,032	\$ 111,522	\$ 109,515
551,616	534,589	557,626	374,666	396,149	389,437
174,686	66,067	49,305	31,336	31,702	71,128
2,371	3,668	1,486	3,420	4,287	4,378
255,804	246,778	242,556	234,937	277,210	215,585
5,002,821	4,703,871	5,783,781	4,101,960	3,170,951	2,521,565
-	-	130,000	-	-	-
<u>\$ 6,106,254</u>	<u>\$ 5,705,222</u>	<u>\$ 7,410,001</u>	<u>\$ 4,893,351</u>	<u>\$ 3,991,821</u>	<u>\$ 3,311,608</u>
<u>\$ (19,546,239)</u>	<u>\$ (17,554,622)</u>	<u>\$ (17,006,183)</u>	<u>\$ (18,228,847)</u>	<u>\$ (17,828,455)</u>	<u>\$ (17,667,062)</u>
\$ 13,306,474	\$ 13,110,355	\$ 12,917,598	\$ 12,599,146	\$ 12,175,430	\$ 11,146,592
3,428,754	3,435,607	3,400,449	3,319,804	3,246,492	3,353,633
1,232,947	1,206,955	1,179,491	1,138,020	1,104,233	1,038,343
83,821	91,117	70,261	86,851	99,285	92,842
2,466,367	2,195,620	1,815,256	1,571,171	2,003,262	2,006,727
591	4,116	9,217	152,695	427,287	549,628
-	12,180	24,000	-	-	67,942
<u>\$ 20,518,954</u>	<u>\$ 20,055,950</u>	<u>\$ 19,416,272</u>	<u>\$ 18,867,687</u>	<u>\$ 19,055,989</u>	<u>\$ 18,255,707</u>
<u>\$ 972,715</u>	<u>\$ 2,501,328</u>	<u>\$ 2,410,089</u>	<u>\$ 638,840</u>	<u>\$ 1,227,534</u>	<u>\$ 588,645</u>

QUEEN BEE SCHOOL DISTRICT 16
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012
General Fund					
Nonspendable	\$ 179,354	\$ 169,535	\$ 156,956	\$ 38,021	\$ -
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Unassigned	<u>6,293,785</u>	<u>5,088,009</u>	<u>5,242,908</u>	<u>4,908,666</u>	<u>5,207,776</u>
Total general fund	<u>\$ 6,473,139</u>	<u>\$ 5,257,544</u>	<u>\$ 5,399,864</u>	<u>\$ 4,946,687</u>	<u>\$ 5,207,776</u>
All other governmental funds					
Nonspendable	\$ 196,475	\$ 196,446	\$ 402,788	\$ 96,169	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Restricted	2,438,638	3,178,381	6,613,412	9,114,351	1,745,158
Assigned	1,217,088	834,278	614,662	113,573	112,567
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>(80,516)</u>	<u>(99,477)</u>	<u>(99,477)</u>
Total all other governmental funds	<u>\$ 3,852,201</u>	<u>\$ 4,209,105</u>	<u>\$ 7,550,346</u>	<u>\$ 9,224,616</u>	<u>\$ 1,758,248</u>

The District began reporting using the GASB 54 format in the 2011 fiscal year.

2011	2010	2009	2008	2007
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	12,580	(1,434,760)	(1,593,584)	(2,280,688)
<u>4,240,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 4,240,815</u>	<u>\$ 12,580</u>	<u>\$ (1,434,760)</u>	<u>\$ (1,593,584)</u>	<u>\$ (2,280,688)</u>

\$ -	\$ -	\$ -	\$ -	\$ -
-	3,483,025	3,096,198	3,307,716	3,214,517
-	433,586	407,316	362,994	319,050
-	(53,886)	(210,535)	2,704,706	5,804,390
1,978,525	-	-	-	-
110,194	-	-	-	-
<u>(99,477)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,989,242</u>	<u>\$ 3,862,725</u>	<u>\$ 3,292,979</u>	<u>\$ 6,375,416</u>	<u>\$ 9,337,957</u>

QUEEN BEE SCHOOL DISTRICT 16
GOVERNMENTAL FUNDS REVENUES
 LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012
Local Sources					
Property taxes	\$ 19,415,635	\$ 19,029,176	\$ 18,806,787	\$ 18,277,693	\$ 17,968,175
Replacement taxes	85,302	93,176	90,712	85,643	83,821
Earnings on investments	(1,758)	941	3,342	(558)	591
Other local sources	<u>1,214,547</u>	<u>1,418,110</u>	<u>1,236,292</u>	<u>1,164,279</u>	<u>1,166,922</u>
Total local sources	<u>20,713,726</u>	<u>20,541,403</u>	<u>20,137,133</u>	<u>19,527,057</u>	<u>19,219,509</u>
State sources	<u>12,323,760</u>	<u>11,489,986</u>	<u>9,105,890</u>	<u>7,395,292</u>	<u>6,308,296</u>
Federal sources	<u>1,325,098</u>	<u>1,241,267</u>	<u>1,221,614</u>	<u>1,000,001</u>	<u>972,035</u>
 Total	 <u>\$ 34,362,584</u>	 <u>\$ 33,272,656</u>	 <u>\$ 30,464,637</u>	 <u>\$ 27,922,350</u>	 <u>\$ 26,499,840</u>

2011	2010	2009	2008	2007
\$ 17,752,917	\$ 17,497,538	\$ 17,056,970	\$ 16,526,155	\$ 15,538,568
91,117	70,261	86,851	99,285	92,842
4,116	9,217	157,786	527,993	443,831
<u>1,026,372</u>	<u>1,539,141</u>	<u>871,143</u>	<u>845,385</u>	<u>893,550</u>
<u>18,874,522</u>	<u>19,116,157</u>	<u>18,172,750</u>	<u>17,998,818</u>	<u>16,968,791</u>
<u>5,719,910</u>	<u>5,812,168</u>	<u>4,648,215</u>	<u>4,667,996</u>	<u>4,055,363</u>
<u>1,166,740</u>	<u>1,897,948</u>	<u>945,164</u>	<u>481,702</u>	<u>437,364</u>
<u>\$ 25,761,172</u>	<u>\$ 26,826,273</u>	<u>\$ 23,766,129</u>	<u>\$ 23,148,516</u>	<u>\$ 21,461,518</u>

QUEEN BEE SCHOOL DISTRICT 16
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012
Current:					
Instruction					
Regular programs	\$ 7,336,379	\$ 7,311,318	\$ 7,494,704	\$ 7,141,514	\$ 7,005,663
Special programs	2,552,167	2,790,553	2,574,029	2,377,162	2,157,766
Other instructional programs	1,934,858	1,834,214	1,763,270	2,031,429	1,868,575
State retirement contributions	<u>5,931,725</u>	<u>5,530,945</u>	<u>3,919,469</u>	<u>3,083,892</u>	<u>2,635,403</u>
Total instruction	<u>17,755,129</u>	<u>17,467,030</u>	<u>15,751,472</u>	<u>14,633,997</u>	<u>13,667,407</u>
Supporting Services					
Pupils	450,719	377,715	356,725	348,357	344,076
Instructional staff	1,265,144	1,298,569	1,190,500	1,047,160	975,483
General administration	1,640,249	1,587,862	1,511,441	1,391,092	1,260,964
School administration	1,344,003	1,375,353	1,353,123	1,235,496	1,238,824
Business	1,746,330	1,599,593	1,394,481	1,267,077	1,137,412
Transportation	521,663	658,363	614,949	683,071	647,722
Operations and maintenance	4,176,940	7,439,921	4,252,017	3,225,316	2,831,770
Central	<u>52,000</u>	<u>61,712</u>	<u>68,607</u>	<u>95,200</u>	<u>93,024</u>
Total supporting services	<u>11,197,048</u>	<u>14,399,088</u>	<u>10,741,843</u>	<u>9,292,769</u>	<u>8,529,275</u>
Community services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonprogrammed charges	<u>2,769,346</u>	<u>3,061,889</u>	<u>2,501,425</u>	<u>2,451,698</u>	<u>1,786,199</u>
Total current	<u>31,721,523</u>	<u>34,928,007</u>	<u>28,994,740</u>	<u>26,378,464</u>	<u>23,982,881</u>
Other:					
Debt service:					
Principal	940,011	789,990	775,000	514,030	499,010
Interest	603,874	809,658	640,433	850,290	842,634
Capital outlay	<u>238,485</u>	<u>334,889</u>	<u>1,275,557</u>	<u>337,552</u>	<u>439,348</u>
Total Other	<u>1,782,370</u>	<u>1,934,537</u>	<u>2,690,990</u>	<u>1,701,872</u>	<u>1,780,992</u>
Total	<u>\$ 33,503,893</u>	<u>\$ 36,862,544</u>	<u>\$ 31,685,730</u>	<u>\$ 28,080,336</u>	<u>\$ 25,763,873</u>
Debt service as a percentage of noncapital expenditures	4.64%	4.38%	4.65%	4.92%	5.30%

2011	2010	2009	2008	2007
\$ 6,684,744	\$ 7,512,826	\$ 7,119,590	\$ 7,431,159	\$ 7,479,275
1,853,237	1,943,711	1,617,991	1,556,115	1,451,048
1,550,280	1,512,256	1,649,906	1,113,381	631,913
<u>2,277,948</u>	<u>2,564,245</u>	<u>1,876,554</u>	<u>1,461,577</u>	<u>991,575</u>
<u>12,366,209</u>	<u>13,533,038</u>	<u>12,264,041</u>	<u>11,562,232</u>	<u>10,553,811</u>
404,725	388,130	371,823	342,452	324,955
912,473	1,072,094	1,095,895	1,075,706	1,028,157
1,234,616	1,248,437	1,211,885	1,163,735	1,043,685
1,232,596	1,280,788	1,429,538	1,239,813	1,224,275
808,973	778,503	640,673	558,546	508,663
665,135	604,172	599,387	502,942	431,795
2,554,247	2,503,424	2,841,905	2,894,184	2,781,242
<u>81,922</u>	<u>73,635</u>	<u>110,551</u>	<u>117,634</u>	<u>104,780</u>
<u>7,894,687</u>	<u>7,949,183</u>	<u>8,301,657</u>	<u>7,895,012</u>	<u>7,447,552</u>
-	1,000	-	-	-
<u>1,504,744</u>	<u>1,462,990</u>	<u>1,546,751</u>	<u>1,182,552</u>	<u>1,266,976</u>
<u>21,765,640</u>	<u>22,946,211</u>	<u>22,112,449</u>	<u>20,639,796</u>	<u>19,268,339</u>
481,773	532,704	601,086	575,091	896,431
874,920	867,525	864,132	873,899	941,433
<u>284,087</u>	<u>1,612,148</u>	<u>3,112,075</u>	<u>3,408,262</u>	<u>2,391,795</u>
<u>1,640,780</u>	<u>3,012,377</u>	<u>4,577,293</u>	<u>4,857,252</u>	<u>4,229,659</u>
<u>\$ 23,406,420</u>	<u>\$ 25,958,588</u>	<u>\$ 26,689,742</u>	<u>\$ 25,497,048</u>	<u>\$ 23,497,998</u>
5.87%	5.75%	6.21%	6.56%	8.71%

QUEEN BEE SCHOOL DISTRICT 16
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012
Excess of revenues over (under) expenditures	\$ 858,691	\$ (3,589,888)	\$ (1,221,093)	\$ (157,986)	\$ 735,967
Other financing sources (uses)					
Principal on bonds sold	-	-	-	7,033,396	-
Principal on refunding bonds sold	-	5,375,000	-	1,531,604	-
Premium on bonds sold	-	240,308	-	329,869	-
Payments to escrow agent	-	(5,508,981)	-	(1,531,604)	-
Capital lease proceeds	-	-	-	-	-
Transfers in	3,112,753	2,690,112	2,440,054	514,472	85,103
Transfers out	<u>(3,112,753)</u>	<u>(2,690,112)</u>	<u>(2,440,054)</u>	<u>(514,472)</u>	<u>(85,103)</u>
Total	<u>-</u>	<u>106,327</u>	<u>-</u>	<u>7,363,265</u>	<u>-</u>
Net change in fund balances	<u>\$ 858,691</u>	<u>\$ (3,483,561)</u>	<u>\$ (1,221,093)</u>	<u>\$ 7,205,279</u>	<u>\$ 735,967</u>

2011	2010	2009	2008	2007
<hr/>				
\$ 2,354,752	\$ 867,685	\$ (2,923,613)	\$ (2,348,532)	\$ (2,036,480)
-	1,139,888	-	-	-
-	125,112	-	-	-
-	9,513	-	-	-
-	(125,112)	-	-	-
-	-	-	73,095	361,843
83,978	184,774	256,985	-	-
<u>(83,978)</u>	<u>(184,774)</u>	<u>(256,985)</u>	<u>-</u>	<u>-</u>
-	1,149,401	-	73,095	361,843
<u>\$ 2,354,752</u>	<u>\$ 2,017,086</u>	<u>\$ (2,923,613)</u>	<u>\$ (2,275,437)</u>	<u>\$ (1,674,637)</u>

QUEEN BEE SCHOOL DISTRICT 16
ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN LEVY YEARS

LEVY YEAR	ASSESSED VALUATION				
	RESIDENTIAL	FARMS	COMMERCIAL	INDUSTRIAL	RAILROAD
2015	\$ 229,901,499	\$ 5,140	\$ 23,380,140	\$ 43,561,290	\$ 125,676
2014	227,193,880	4,670	19,872,790	46,039,810	116,017
2013	233,788,210	4,250	19,136,120	48,319,020	86,711
2012	255,481,785	3,860	19,138,060	52,167,160	79,581
2011	292,013,746	3,510	19,882,710	58,507,360	65,352
2010	344,893,541	3,200	19,027,100	59,674,700	71,951
2009	371,960,997	2,910	20,431,310	64,230,920	69,053
2008	374,747,016	2,640	20,486,530	66,663,520	56,432
2007	357,787,899	2,390	19,535,630	64,851,530	43,568
2006	333,221,813	2,636	17,658,620	66,373,810	31,171

Source: DuPage County Clerk

Note: The county assesses property at approximately 33.3% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by that percentage. Tax rates are per \$100 of assessed value.

LESS: EXEMPTIONS		TOTAL ASSESSED VALUE	TOTAL DIRECT RATE	ESTIMATED ACTUAL VALUE
\$	-	\$ 296,973,745	\$6.5377	\$ 890,921,235
	-	293,227,167	6.5709	879,681,501
	-	301,334,311	6.2877	904,002,933
	-	326,870,446	5.6866	980,611,338
	-	370,472,678	4.8577	1,111,418,034
	-	423,670,492	4.2369	1,271,011,476
	-	456,695,190	3.8252	1,370,085,570
	-	461,956,138	3.7688	1,385,868,414
	-	442,221,017	3.7764	1,326,663,051
	-	417,288,050	3.8964	1,251,864,150

QUEEN BEE SCHOOL DISTRICT 16
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN TAX LEVY YEARS

	2015	2014	2013	2012	2011	2010
District direct rates						
Educational	\$3.4860	\$3.4531	\$3.5000	\$3.4864	\$3.5000	\$3.1379
Tort immunity	0.0842	0.0908	0.0890	0.0773	0.0137	-
Operations and maintenance	0.5476	0.5425	0.5500	0.5479	0.5500	0.5500
Special education	0.3990	0.3944	0.4000	0.3983	0.0955	-
Bond and interest	0.4820	0.4894	0.4609	0.4077	0.3370	0.2878
Transportation	1.1219	1.1753	0.8528	0.3878	0.1364	0.1121
Life safety	0.0997	0.0986	0.1000	0.0995	0.0137	-
Working cash	0.0470	0.0463	0.0500	0.0498	0.0205	-
Illinois municipal retirement	0.1586	0.1650	0.1676	0.1314	0.1091	0.0835
Social security	0.1117	0.1155	0.1174	0.1005	0.0818	0.0656
Total direct	6.5377	6.5709	6.2877	5.6866	4.8577	4.2369
Representative (Direct and Overlapping) Tax Rates						
County of DuPage	0.1971	0.2057	0.2040	0.1929	0.1773	0.1659
Forest Preserve District	0.1622	0.1691	0.1657	0.1542	0.1414	0.1321
Bloomington Township	0.0911	0.1069	0.1060	0.0952	0.0846	0.0773
Village of Glendale Heights	1.3995	1.3899	1.2675	1.1368	0.9918	0.8950
Bloomington Township Road District	0.1180	0.1205	0.1147	0.1031	0.0886	0.0809
Glenside Fire Protection District	1.2087	1.1904	1.0817	0.9722	0.8442	0.7297
Glenside Library District	0.6504	0.6398	0.6070	0.4908	0.4183	0.3626
Township High School District No. 87	2.5173	2.5824	2.4877	2.2868	2.0199	1.8378
DuPage Airport Authority	0.0188	0.0196	0.0178	0.0168	0.0169	0.0158
Community College District No. 502	0.2786	0.2975	0.2956	0.2681	0.2495	0.2349
Total Representative Tax Rate	\$13.1794	\$13.2927	\$12.6354	\$11.5365	\$10.0075	\$8.8663
(Direct and Overlapping)						

Source: DuPage County Clerk

Note: Tax rates are per \$100 of assessed value.

Note: The District's ability to raise its direct rate is restricted by the tax rate ceiling and the PTELA limitation. The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District. The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation.

2009	2008	2007	2006
\$2.8163	\$2.7900	\$2.7630	\$2.8698
-	-	-	-
0.5314	0.5255	0.5252	0.5500
-	-	-	-
0.2603	0.2516	0.2518	0.2609
0.0905	0.0895	0.0891	0.0928
-	-	-	-
-	-	-	-
0.0692	0.0535	0.0549	0.0533
<u>0.0575</u>	<u>0.0587</u>	<u>0.0724</u>	<u>0.0696</u>
<u>3.8252</u>	<u>3.7688</u>	<u>3.7564</u>	<u>3.8964</u>
0.1554	0.1557	0.1651	0.1713
0.1217	0.1206	0.1187	0.1303
0.0695	0.0684	0.0685	0.0697
0.8637	0.8639	0.8749	0.8768
0.0727	0.0715	0.0719	0.0731
0.6615	0.6841	0.6828	0.7143
0.3281	0.3218	0.3219	0.3356
1.6749	1.6507	1.6612	1.7210
0.0148	0.0160	0.0170	0.0183
<u>0.2127</u>	<u>0.1858</u>	<u>0.1888</u>	<u>0.1929</u>
<u>\$8.0878</u>	<u>\$7.9944</u>	<u>\$8.0148</u>	<u>\$8.2918</u>

QUEEN BEE SCHOOL DISTRICT 16
PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT
CURRENT YEAR AND NINE YEARS AGO

<u>TAXPAYER</u>	2015 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF TOTAL 2015 EQUALIZED ASSESSED VALUATION
Thompson Pts	\$10,339,490	3.48%
Fordham Glen Apartments	9,583,620	3.23%
Crane & Norcross	7,518,690	2.53%
Amb Property Corp (Multiple Sites)	3,396,060	1.14%
National Tax Search	3,029,630	1.02%
CB Richard Ellis	2,998,650	1.01%
Spraying Systems Co	2,934,940	0.99%
Big Box Property Owner A	1,879,320	0.63%
Prologis	1,775,420	0.60%
Welsh Glendale LP	1,460,120	0.49%
	<u>\$ 44,915,940</u>	<u>15.12%</u>

<u>Taxpayer</u>	2006 EQUALIZED ASSESSED VALUATION	PERCENTAGE OF TOTAL 2006 EQUALIZED ASSESSED VALUATION
Crane and Norcross	\$ 10,600,000	2.54%
EQR - RE Tax Department	6,014,680	1.44%
UBS Realty Investors LLC	5,522,140	1.32%
AMB Institutional Alliance	4,881,190	1.17%
National Tax Research	4,396,960	1.05%
First American Prop	4,284,100	1.03%
Spraying Systems Co.	4,012,800	0.96%
Estate of James Campbell	2,379,150	0.57%
Judy LLC	2,120,490	0.51%
Van Der Molen Properties	1,909,640	0.46%
Total	<u>\$ 46,121,150</u>	<u>11.05%</u>

Source: Offices of the DuPage County Clerk, Assessor and Bloomingdale Township Assessor.

QUEEN BEE SCHOOL DISTRICT 16
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN LEVY YEARS

LEVY YEAR	TAXES LEVIED FOR THE LEVY YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2015	\$ 19,415,253	\$ 9,723,070	50.1%	\$ -	\$ 9,723,070	50.08%
2014	19,267,663	9,189,793	47.7%	10,025,668	19,215,461	99.73%
2013	18,946,997	9,324,277	49.2%	9,596,268	18,920,545	99.86%
2012	18,587,815	8,975,930	48.3%	9,554,731	18,530,661	99.69%
2011	17,996,453	8,846,048	49.2%	9,064,509	17,910,557	99.52%
2010	17,950,495	8,875,033	49.4%	9,053,456	17,928,489	99.88%
2009	17,469,504	8,383,384	48.0%	9,071,007	17,454,391	99.91%
2008	17,410,203	8,220,024	47.2%	9,146,682	17,366,706	99.75%
2007	16,700,034	7,867,044	47.1%	8,800,077	16,667,121	99.80%
2006	16,259,211	7,775,615	47.8%	8,458,802	16,234,417	99.85%

Source of information : DuPage County Levy, Rate, and Extension Reports for 2006-2015.

QUEEN BEE SCHOOL DISTRICT 16

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

YEAR	GENERAL OBLIGATION BONDS	CAPITAL LEASES	INSTALLMENT AGREEMENTS	TOTAL	PERCENTAGE OF PERSONAL INCOME	OUTSTANDING DEBT PER CAPITA
2016	\$ 16,615,337	\$ -	\$ 990,000	\$ 17,605,337	2.14%	511
2015	17,163,792	-	1,060,000	18,223,792	2.10%	528
2014	17,416,112	-	1,130,000	18,546,112	2.13%	537
2013	17,806,483	-	1,200,000	19,006,483	2.27%	549
2012	10,307,312	12,182	1,265,000	11,584,494	1.61%	336
2011	10,726,703	26,801	1,330,000	12,083,504	1.70%	353
2010	11,133,857	41,420	1,390,000	12,565,277	1.77%	367
2009	11,532,485	85,496	330,000	11,947,981	1.68%	368
2008	11,903,451	215,616	430,000	12,549,067	1.76%	368
2007	12,815,360	253,486	525,000	13,593,846	1.91%	432

Note: General obligation bonds do not include accretion related to capital appreciation bonds.

Note: See Demographic and Economic Statistics table for personal and population data.

QUEEN BEE SCHOOL DISTRICT 16
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL BONDED DEBT	LESS: AMOUNTS AVAILABLE TO REPAY PRINCIPAL	NET GENERAL BONDED DEBT	PERCENTAGE OF NET GENERAL BONDED DEBT TO ESTIMATED ACTUAL VALUATION	NET GENERAL BONDED DEBT PER CAPITA
2016	\$ 16,615,337	\$ 605,226	\$ 16,010,111	1.80%	\$ 464.94
2015	17,163,792	591,164	16,572,628	1.88%	479.95
2014	17,416,112	510,760	16,905,352	1.87%	488.31
2013	17,806,483	232,960	17,573,523	1.94%	507.61
2012	10,307,312	388,973	9,918,339	1.01%	287.45
2011	10,726,703	412,560	10,314,143	0.93%	301.51
2010	11,133,857	433,586	10,700,271	0.84%	312.80
2009	11,532,485	407,316	11,125,169	0.81%	342.68
2008	11,903,451	362,994	11,540,457	0.83%	355.47
2007	12,272,577	319,050	11,953,527	0.90%	368.20

QUEEN BEE SCHOOL DISTRICT 16
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2016

GOVERNMENTAL JURISDICTION	GENERAL OBLIGATION BONDED DEBT OUTSTANDING	OVERLAPPING PERCENT	NET DIRECT AND OVERLAPPING DEBT
Overlapping debt:			
County			
DuPage County	\$42,020,000 (1)(3)	0.877%	\$ 368,375
DuPage County Forest Preserve	140,577,987 (1)(2)	0.877%	1,232,399
School Districts			
High School District #87	57,705,000 (1)(3)	6.145%	3,546,258
College of DuPage #502*	193,170,000 (1)	0.907%	1,751,762
Fire Protection Districts:			
Bloomington Fire Protection District	950,000	2.670%	25,364
Glenside Fire Protection District	500,000 (3)	62.615%	313,075
Library District:			
Glenside Library District	0 (1)	50.853%	0
Municipalities			
Village of Glendale Heights	37,655,000	49.358%	<u>18,585,662</u>
Total overlapping debt			25,822,896
Direct debt:			
School District #16	16,615,337 (2)	100.000%	<u>16,615,337</u>
Total Direct and Overlapping Debt			<u>\$ 42,438,233</u>

(1) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.

(2) Includes original principal amounts of outstanding General Obligation Capital Appreciation Bonds.

(3) Excludes Certificates of Indebtedness and/or notes.

NOTE: Percent applicable to School District calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

Overlapping governments with no outstanding debt are not reflected.

QUEEN BEE SCHOOL DISTRICT 16

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Valuation	\$ 296,973,745	
Debt Limit - 6.9% of Assessed Valuation	20,491,188	\$ 20,491,188
Total Debt Outstanding	17,605,337	
Less: Exempted Debt	-	
Net Subject to 6.9% Limit		<u>\$ 17,605,337</u>
Total Debt Margin		<u>\$ 2,885,851</u>

	2016	2015	2014	2013
Debt Limit	\$ 20,491,188	\$ 20,232,675	\$ 20,792,067	\$ 22,554,061
Total Net Debt Applicable to Limit	<u>17,605,337</u>	<u>18,223,792</u>	<u>18,546,112</u>	<u>19,006,483</u>
Legal Debt Margin	<u>\$ 2,885,851</u>	<u>\$ 2,008,883</u>	<u>\$ 2,245,955</u>	<u>\$ 3,547,578</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	85.92%	90.07%	89.20%	84.27%

Fiscal Year					
2012	2011	2010	2009	2008	2007
\$ 25,562,615	\$ 29,233,264	\$ 31,511,968	\$ 31,874,974	\$ 30,513,250	\$ 28,792,875
<u>11,584,494</u>	<u>12,083,504</u>	<u>12,565,277</u>	<u>11,947,981</u>	<u>12,549,067</u>	<u>18,301,063</u>
<u>\$ 13,978,121</u>	<u>\$ 17,149,760</u>	<u>\$ 18,946,691</u>	<u>\$ 19,926,993</u>	<u>\$ 17,964,183</u>	<u>\$ 10,491,812</u>
41.33%	41.33%	39.87%	37.48%	41.13%	63.56%

QUEEN BEE SCHOOL DISTRICT 16
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA INCOME*	UNEMPLOYMENT RATE
2015*	34,435	\$ 824,063,985	\$ 23,931	5.5%
2014	34,530	869,292,750	25,175	6.5%
2013	34,620	836,384,580	24,159	8.5%
2012	34,504	717,510,680	20,795	8.2%
2011	34,208	711,340,615	20,795	8.6%
2010	34,208	711,340,615	20,795	8.3%
2009	32,465	711,340,615	21,911	10.3%
2008	32,465	711,340,615	21,911	6.0%
2007	32,465	711,340,615	21,911	4.8%
2006	32,465	711,340,615	21,911	4.3%

SOURCE OF INFORMATION:

2015 Information obtained from US Census Bureau, Quickfacts and Illinois Department of Employment Security .Information is for the Village of Glendale Heights, Illinois in which the District is located.

*Per Capita Income in past 12 months (2014 dollars) 2010-2014

Population: 2006 - 2009 is based on the census estimates
 and 2010- 2012 is based on the 2010 U.S. Census.

Per capita income and Personal Income: 1999 Economic Census and
 U.S. Census Bureau Quick Facts

Unemployment rate: Illinois Department of Employment Security, Village of Glendale Heights.
 Local Area Unemployment Statistics (LAUS).

QUEEN BEE SCHOOL DISTRICT 16
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2016		
EMPLOYER	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT(5)
Amita Health GlenOaks Hospital	526	2.9%
Glenbard North & West HDS 87	463	2.5%
Cornelius, Inc	450	2.5%
Village of Glendale Heights*	441	2.4%
Kronos Food, Inc.	400	2.2%
Queen Bee School District 16	230	1.3%
Super Target	207	1.1%
Chicago Blower Corp	200	1.1%
Jewel/Osco	200	1.1%
Menards	200	1.1%
KKSP Precision Machining, LLC (HQ)	200	1.1%
Home Depot	180	1.0%
Eaton Corp Electrical	160	0.9%
Nestle DSD; Div of Nestle Dreyer's IceCream, Co; Edy's Grand	150	0.8%
	<u>4,007</u>	<u>21.85%</u>

*Includes Full and Part-time and/or seasonal

SOURCE OF INFORMATION:

- (1) 2016 Illinois Manufacturers Directory
- (2) 2016 Illinois Services Directory
- (3) ReferenceUSA.com
- (4) Phone canvass of employers / FOIA
- (5) Employer Official Website and/or Financial Reports

Note: The tables reflect the major employers in the immediate area surrounding the District.

2007		
EMPLOYER	EMPLOYEES	PERCENTAGE OF TOTAL EMPLOYMENT
IMI Cornelius, Inc.	800	4.32%
ETS - Lindgren	250	1.35%
Chicago Blower Corp.	200	1.08%
Edy's Grand Ice Cream, Inc.	150	0.81%
XPEDX	150	0.81%
D&R Technology LLC.	141	0.76%
Graybar Electric Co.	122	0.66%
Surya Electronics Inc.	120	0.65%
Screws Industries, Inc.	120	0.65%
JNR Custo-matic Screws	110	0.59%
	<u>2,163</u>	<u>11.68%</u>

QUEEN BEE SCHOOL DISTRICT 16

NUMBER OF EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

	2015- 2016	2014- 2015	2013- 2014	2012- 2013	2011- 2012
Administration:					
Superintendent	1	1	1	1	1
Assistant Superintendent	2	2	3	2	1
District Administrators	2	2	1	2	3
Principals and assistants	8	8	8	8	8
Total administration	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Teachers:					
Elementary	57	57	53	49	47
Middle school	36	36	38	39	34
Instrumental music	2	2	2	2	2
Special education and bilingual	32	32	33	36	35
Psychologists	-	-	-	-	-
Social workers and counselors	2	2	2	2	2
Learning center	2	2	1	1	1
Total teachers	<u>131</u>	<u>131</u>	<u>129</u>	<u>129</u>	<u>121</u>
Other supporting staff:					
Learning center assistants	4	4	4	4	4
Clerical 10/12 Month	16	16	16	16	16
Teacher assistants	34	37	37	36	32
Maintenance, custodians and warehouse	25	25	25	24	24
Nurses	5	4	3	4	4
Total support staff	<u>84</u>	<u>86</u>	<u>85</u>	<u>84</u>	<u>80</u>
Total staff	<u>228</u>	<u>230</u>	<u>227</u>	<u>226</u>	<u>214</u>

Source: District administrative records.

2010- 2011	2009- 2010	2008- 2009	2007- 2008	2006 - 2007
1	1	1	1	1
1	1	1	1	1
3	3	3	1	2
8	8	9	8	8
<u>13</u>	<u>13</u>	<u>14</u>	<u>12</u>	<u>12</u>
51	67	63	70	71
34	42	44	44	45
2	2	2	2	2
30	26	31	23	23
1	1	1	1	1
2	2	2	2	2
1	4	4	4	4
<u>121</u>	<u>144</u>	<u>147</u>	<u>146</u>	<u>148</u>
4	4	4	4	4
15	14	16	16	16
28	29	28	23	21
23	24	28	29	29
4	4	4	4	4
<u>74</u>	<u>75</u>	<u>80</u>	<u>76</u>	<u>74</u>
<u>208</u>	<u>232</u>	<u>241</u>	<u>234</u>	<u>234</u>

QUEEN BEE SCHOOL DISTRICT 16
OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS

FISCAL YEAR	AVERAGE DAILY ATTENDANCE	OPERATING EXPENDITURES	COST PER PUPIL	PERCENTAGE CHANGE	ALLOWABLE TUITION COSTS	PER CAPITA TUITION CHARGE
2016	1,754	\$ 21,722,912	\$ 12,386	1.47%	\$ 19,815,424	\$ 11,298
2015	1,826	22,286,452	12,206	6.34%	20,198,850	11,062
2014	1,859	21,340,491	11,478	1.80%	19,166,197	10,318
2013	1,759	20,558,395	11,688	-3.01%	18,430,260	10,478
2012	1,767	20,050,612	11,346	-8.82%	17,934,922	10,149
2011	1,777	18,521,995	10,426	-1.23%	16,480,768	9,277
2010	1,860	19,156,005	10,299	-0.13%	16,585,967	8,918
2009	1,867	19,206,326	10,286	-4.07%	17,843,609	9,556
2008	1,868	18,463,965	9,884	-6.26%	17,078,537	9,143
2007	1,882	17,506,709	9,302	-3.39%	16,311,347	8,667

Source: District annual financial reports.

PERCENTAGE CHANGE	TEACHING STAFF	PUPIL - TEACHER RATIO
2.14%	131	13.4
7.21%	131	13.9
1.53%	129	14.4
-3.24%	131	13.4
-9.40%	129	13.7
-4.03%	121	14.7
6.68%	144	12.9
-4.52%	147	12.7
-5.49%	146	12.8
-4.12%	148	12.7

QUEEN BEE SCHOOL DISTRICT 16
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012
Glenside Middle School					
Square Feet	84,501	84,501	84,501	84,501	84,501
Capacity (Students)	926	926	926	926	926
Enrollment	669	687	685	636	645
Americana Elementary School					
Square Feet	39,129	39,129	39,129	39,129	39,129
Capacity (Students)	498	498	498	498	498
Enrollment	401	418	425	466	469
Glen Hill Elementary School					
Square Feet	40,784	40,784	40,784	40,784	40,784
Capacity (Students)	544	544	544	544	544
Enrollment	477	471	466	450	522
Pheasant Ridge Elementary School					
Square Feet	44,875	44,875	44,875	44,875	44,875
Capacity (Students)	598	598	598	598	598
Enrollment	431	426	426	431	459

Source: District administrative records.

2011	2010	2009	2008	2007
84,501	84,501	84,501	84,501	84,501
926	926	926	926	926
664	726	712	734	705
39,129	39,129	39,129	39,129	39,129
498	498	498	498	498
474	424	441	450	479
40,784	40,784	40,784	40,784	40,784
544	544	544	544	544
559	554	480	470	470
44,875	44,875	44,875	44,875	44,875
598	598	598	598	598
496	492	488	483	491